

# SCARBOROUGH COLLEGE

England & Wales · Charity number 529686

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [00050404](#)

**Registered** 1962-10-15

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Scarborough College Ltd  
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Scarborough  
YO11 3BA

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**Website** [www.scarboroughcollege.co.uk](http://www.scarboroughcollege.co.uk)

## Activities

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**Objects:** THE OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE THE ADVANCEMENT AND PROMOTION OF EDUCATION AND OF RELIGION IN THE UNITED KINGDOM BY EXCLUSIVELY CHARITABLE MEANS AND FOR THOSE PURPOSES (AND SUBJECT TO SUCH PRIMARY OBJECTS AS AFORESAID)

**Activities:** The Charity is an Independent School in the North East of England and provides first class day and boarding education for students aged between 3 and 18. Facilities for study and recreation are of the highest standard and students are encouraged to achieve high academic standards with each student expected to strive for his or her personal best.

## Classification

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- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

## Geography

- North Yorkshire

## Finances

| Period end | Income     | Expenditure | Assets     | Employees |
|------------|------------|-------------|------------|-----------|
| 2025-08-31 | £8,852,781 | £9,137,934  | £2,642,649 | 147       |
| 2024-08-31 | £8,766,041 | £8,677,475  | £3,275,803 | 146       |
| 2023-08-31 | £7,536,008 | £7,743,432  | £3,198,328 | 139       |
| 2022-08-31 | £7,361,840 | £7,037,244  | £2,724,658 | 129       |
| 2021-08-31 | £5,688,758 | £6,344,016  | £2,375,286 | 110       |
| 2020-08-31 | £5,330,502 | £5,356,998  | £3,027,554 | 86        |

## Trustees

| Name                         | Role | Appointed  |
|------------------------------|------|------------|
| ANTONY STEPHEN GREEN         |      |            |
| Antony William Ingham        |      | 2023-06-28 |
| Christopher Aubrey Burns     |      | 2024-03-23 |
| GRAEME NEVILLE MANSELL YOUNG |      |            |
| Guy Walker Robinson Mr       |      | 2023-01-05 |
| Jo Storey                    |      | 2025-12-04 |
| John Francis Watson Swiers   |      | 2019-02-19 |
| John Stephen Rowlands        |      | 2013-07-01 |
| Richard Guthrie              |      | 2013-07-01 |
| Simon Nevill Fairbank        |      | 2013-07-01 |
| Victoria Jane Gillingham     |      | 2015-04-01 |
| Wendy Elizabeth Martin       |      | 2023-07-10 |

**SCARBOROUGH COLLEGE**

England & Wales - Charity number 529686

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# Accounts

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Registered number: 00050404  
Charity number: 529686

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**CONTENTS**

|  | Page    |
|--|---------|
| <b>Reference and administrative details of the Company, its Governors and advisers</b> | 1       |
| <b>Governors' report</b>   | 2 - 14  |
| <b>Governors' responsibilities statement</b>   | 15      |
| <b>Independent auditors' report on the financial statements</b>                        | 16 - 19 |
| <b>Statement of financial activities</b>   | 20      |
| <b>Balance sheet</b>   | 21 - 22 |
| <b>Statement of cash flows</b>   | 23      |
| <b>Notes to the financial statements</b>   | 24 - 52 |

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2025**

|                                  |   |
|----------------------------------|---|
| <b>Governors</b>                 | Mr G W Robinson, Chairman<br>Mr A S Green, Vice Chairman<br>Mrs V J Gillingham<br>Mr R Guthrie<br>Mr J R Marshall (resigned 15 May 2025)<br>Mr S N Fairbank<br>Mr J S Rowlands<br>Mr J F W Swiers<br>Mr G N M Young<br>Dr J Renshaw (resigned 15 May 2025)<br>Mr A W Ingham<br>Mrs W E Martin<br>Mr C A Burns<br>Mrs J Storey (appointed 4 December 2025) |
| <b>Company registered number</b> | 00050404  |
| <b>Charity registered number</b> | 529686  |
| <b>Registered office</b>         | Scarborough College<br>Filey Road<br>Scarborough<br>North Yorkshire<br>YO11 3BA   |
| <b>Company secretary</b>         | Ms A J Higgins  |
| <b>Independent auditors</b>      | Armstrong Watson Audit Limited<br>Chartered Accountants & Statutory Auditors<br>Third Floor<br>10 South Parade<br>Leeds<br>West Yorkshire<br>LS1 5QS  |
| <b>Bankers</b>                   | Lloyds<br>Scarborough<br>North Yorkshire<br>YO11 2YY  |
| <b>Solicitors</b>                | Flint Bishop<br>2 The Embankment<br>Sovereign Street<br>Leeds<br>LS1 4BA  |

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

The Governors, (who are also the Trustees and Directors of the Company for the purposes of company law, and so will be referred to through out the report as "the Governors") present their annual report together with the audited financial statements of the Company for the 1 September 2024 to 31 August 2025. The Annual report serves the purposes of both a Governors' report and a Directors' report under company law. The Governors confirm that the Annual report and Financial Statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Objectives and activities**

**a. Objectives and Activities**

The objects of the Company, in accordance with its Articles and Memorandum of Association, are to establish and conduct in Scarborough, and elsewhere, a Day and Boarding School or Schools for Boys and Girls (aged 3 to 18 years) in which there shall be given a sound education, combined with a moral and religious input.

**b. Aims and Intended Impact**

The Company's vision is to be a recognised leader in British independent education.

**c. Mission Statement**

The Company's commitment is to discover and fully realise every child's potential by ensuring that all pupils are seen as individuals whose specific needs are recognised and met. We are dedicated to providing a far-reaching education that goes beyond the boundaries of the classroom, underpinned by strong lifelong values, which inspires academic excellence and ensures pupils are challenged. Regular opportunities to understand their own capabilities through exposure to a broad range of sporting, cultural and creative activities, widens our pupils' horizons and builds their self-confidence. Within our outward facing, grounded and caring community the relationships that exist nurture tolerant, honest and compassionate people who will make a genuine difference in their futures beyond the confines of our school.

**d. Aims of the Company**

The Company seeks:

- To encourage and enable pupils to achieve their academic potential and to foster a climate in which high quality teaching and learning are the upmost priorities.
- To respond to, support, and bring about the aspirations of pupils and their parents, whilst being attentive to their views.
- To consistently provide a high degree of personal care, support and guidance within, and outside of, the formal pastoral structure.
- To promote the acquisition and development of life-long values and 'character'.
- To cultivate and develop in pupils a sense of spirituality, cultural awareness and a moral framework through which they can live a fulfilling and happy life.
- To provide an environment in which pupils feel valued and learn to work co-operatively within a safe and nurturing community.
- To provide regular opportunities for all pupils to engage with a varied co-curricular programme so that they

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Objectives and activities (continued)**

may explore their talents and discover life-long passions.

- To be a caring, supportive and appreciative employer, recognising the work and commitment of all staff whilst facilitating a climate of continual professional development.
- To consistently look for improvements in everything we do, thereby ensuring that the experience all our stakeholders undergo becomes ever more positive and rewarding.

The main objectives remain unchanged and are to achieve excellent public examination results, to continue with the successful work related to the International Baccalaureate programme, to enhance the boarding provision, and to strengthen even further the Company's links with the community.

The Company's strategy is to continue to develop the school's facilities, both physical and intellectual, for providing an excellent education for its students. The enhancement of the school facilities will be driven through property development activity which is given in greater detail in the Future Plans section of this report.

**e. Principal Activity**

The principal activity continues to be the provision in Scarborough of Independent Education for both boarding and day children between the ages of 3 to 18 years old. The Prep School takes boys and girls from 3 to 11 years of age and also operates a pre-school nursery (Little Owls). The Senior School provides for students aged 11 to 18 years. For this academic year the student population was 575, not including younger children attending the nursery.

**f. Volunteers**

The Friends of Scarborough College, and the Old Scardeburgians Association (OSA) both continue to support the College in many ways. Both groups fund raise to support projects in the College including enhancement of the facilities. The OSA also holds regular functions to bring present and past pupils together both through sport and socially. Furthermore, the OSA sponsor scholarships as part of the scholarship and bursary scheme operated by the College. In addition, these groups, the formation of the Scarborough College Foundation will look to strengthening the fundraising to enable significant projects with thin the College to go ahead. The Board continues to be extremely grateful for all their efforts, and the enthusiastic support of both groups creates a strong bond between the College and parents, helping to strengthen community spirit.

**g. Public Benefit**

The Company remains aware of its responsibility to achieve public benefit by working closely with the local community, whilst also developing links with other schools, charities and other local organisations. The Company has complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission.

The Company continues to take a leading role in a number of areas of support to the local community and, in particular, to sports in the Scarborough area. This can be highlighted by a few examples including its partnership with a number of local primaries school to help deliver sports lessons to their children across all year groups. Further to the council's permission to allow third-party users, the Company will continue to offer the all-weather astro pitch to Scarborough Hockey Club as well as other local clubs, including Scarborough Athletic for a nominal fee.

During the summer period and other periods outside of term time, the Company actively reaches out to schools, sports clubs and other organisations. Yorkshire County Cricket club and subsidiaries such as the Yorkshire Cricket Development Group make use of both the indoor and outdoor facilities. Various schools can use, and do use, the sporting facilities on Bramcote, Deepdale and the Main College field.

## **SCARBOROUGH COLLEGE LIMITED**

**(A company limited by guarantee)**

### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025**

#### **Objectives and activities (continued)**

In addition, schools can make use of the performing arts facilities at Lisvane Hall as well as classrooms in the Science block, the visual arts department and other areas of the school. Depending on the nature of the provider, usage is either free of charge or for a nominal fee.

The Company organises a number of events for local primary schools, including, though not limited to, Tykes in Tune performing arts day, CSI Science Day and sports days. Furthermore, the Company offers its minibuses to support schools with transportation of their pupils. Our Director of Rugby, Ben Foden Ex-England International, has been spending time coaching at local primary schools.

#### **h. Community Service**

Throughout the College and across all age groups, there is a strong sense of community spirit and service. Outside of school life, numerous students are actively involved in community service and, in addition, many overseas students have been active in or even founded community projects in their own countries and communities. Their enthusiasm and altruistic entrepreneurial spirit inspires and supports other pupils. Examples of charities supported by the staff and pupils are MacMillan, Mellow Yellow, Young Minds and the local charities such as the Rainbow Centre, Yorkshire Air Ambulance and Age UK Scarborough. Together with pupils, the Friends of Scarborough College and the Scarborough College Charities Committee; the Company maintains strong ties with several charities in the community as well as nationwide.

Within the Senior School, students are engaged IB community service as part of their Duke of Edinburgh programme of which almost all the eligible students of the Senior School take part in at some point. It is an essential part of the International Baccalaureate Diploma Programme during Sixth Form, where the Creativity, Action and Service (CAS) component of the Diploma Programme encourages students to engage with the world around them.

Charitable donations from fund raising activities amount to £7,268 (2024: £5,640) in the year.

#### **i. Bursaries and Scholarship awards**

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. Learning occurs through social interaction, conversation and shared experiences which help our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy together with our out-reach work contribute to a widening of access to the education we offer and the facilities we enjoy.

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by Scarborough College. Our bursary awards are available to all who meet our general entry requirements and are made solely based on parental means or to relieve hardship where a pupil's education and prospects would otherwise be at risk, for example, in the case of redundancy. In assessing means the College takes several factors into consideration including family income, investments and savings, and family circumstances, for example, dependent relatives and the number of siblings.

Those wishing to be considered for bursary support are required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees is assessed according to the guardians' ability to pay full fees and the availability of bursary funds to the College. Bursary awards are subject to the annual testing of the guardians' means.

This year the value of means tested bursaries totalled £876,898 (2024: £744,124) and represented 7.21% of our gross fees. They aided 142 pupils, representing 24.15% of the school roll.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Objectives and activities (continued)**

**j. Non means-tested fee remissions**

The purpose of our scholarship awards is to recognise high academic, musical, and sporting potential or ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the aforementioned abilities which will contribute to our co-curricular activities; awards may be subject to conditions. Scholarships are awarded with a fixed remission of fees of between 10% and 100%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. The value of Scholarships in the school year totalled £1,293,671 (2024: £899,203) awarded to 189 pupils.

Other forms of non-means-tested assistance were also awarded during the academic year, including sibling and staff discounts. In total these awards were made to 288 pupils and amounted to £1,482,862 (2024: £1,230,726).

The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with abilities. No scholarships were withdrawn in the year as a result of reviews.

**HMC Projects**

In the early 1990s, as communism collapsed in eastern Europe, the Headmasters', and Headmistresses' Conference (HMC) supported a sixth form scholarship scheme to provide educational opportunities for young people in countries that had been behind the Iron Curtain. HMC Projects, as it was called, aimed to identify talented 16 and 17 year olds and give them the opportunity to study and live at a British boarding school. The aim of the scholarship programme is to foster bonds of understanding and friendship between young people across Europe and to give young people from the former communist countries in Central and Eastern Europe an enriching and rewarding experience in some of the best schools in the world. In 2019 Scarborough College first offered a place to a scholar. By 2025 the College had 1 scholar. The value of such Scholarships in the school year totalled £43,547.

**British Alumni Scholarship**

The British Alumni Society (BAS) was established in 1999 under the auspices of the British Council and the British Embassy in Warsaw. The BAS provides a forum for graduates of scholarship schemes offered by those two institutions (Chevening Scholarships, British Council Scholarships, Know How project, etc). Today BAS has over 550 members: both Poles and British nationals residing in Poland, who have studied at university level or participated in other educational schemes in the United Kingdom.

BAS organizes seminars, debates, discussion clubs and mentoring programmes in collaboration with the British Council, the British Embassy, the British Polish Chamber of Commerce and European Financial Congress. Their flagship project is a scholarship scheme for secondary school students who may apply for free places in UK independent boarding schools.

In 2023 Scarborough College signed a contract with BAS for one student per annum, interviewed by both BAS scholars as well as Scarborough College, to be the recipient of a fully funded IB Diploma Programme place of two years. The value of such Scholarships in the school year totalled £43,547.

**k. Our ethos; a caring Company serving our local community and society.**

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education the College provides.

Scarborough College is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the College, and at a level that is consistent with our aim of providing a first-class education to boys and girls from all backgrounds of the local community and beyond. To admit a prospective pupil, we need to be satisfied that the College will be able to educate and develop him/her to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments and interviews are undertaken to satisfy the College and parents that potential pupils can

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Objectives and activities (continued)**

cope with the pace of learning and benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion, or disability do not form part of the assessment process.

The College is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation, or disability. The College makes reasonable adjustments to meet the needs of staff or pupils who are or become disabled, The College is committed to safeguarding and promoting the welfare of the pupils and expects all staff and volunteers to share this commitment.

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The College maintains regular contact with parents throughout the year through informal contacts and the fortnightly news publications (The Owl). All pupils have a Form Tutor responsible for pastoral care and academic development.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Strategic report**

**Achievements and performance**

**a. Our successes**

As a non-selective school, Scarborough College is proud to remain true to its founding mission and provide deserving children with a world class, holistic education. Students in the Sixth Form study the renowned and globally recognised International Baccalaureate Diploma Programme (IBDP). Through its Learner Profile, IB World Schools such as Scarborough College embrace and foster academic excellence in a learning environment that is culturally diverse, caring, forward facing and robust.

Public examination in both the GCSEs and IBDP continued to be extremely positive and far above the world average (IBDP). Sixth Form students were successful at gaining places at several top universities in both the United Kingdom and the rest of the world, while some earned highly sought-after scholarships at some of these universities. The IBDP exam cohort was 40 students, who achieved an average of 31.6 points, which was almost three full points above the world average. GCSE results were once again outstanding with well over one third of students achieving grades 9-7 (A\* and A). 86 pupils were entered with the overall pass rate was almost 90%.

Furthermore along with its mission, Scarborough College continues to provide a diverse, challenging and inspiring co-curricular programme. These include activities of a sporting nature, performing and visual arts, outdoor exploits as well as activities that promote a healthy and sustainable lifestyle and well-being. This mission is highlighted in the College's Yorkshire Grit programme, its Enrichment Programme and the extremely high numbers of children registering for the Duke of Edinburgh programme.

As a direct result of this dedicated approach, both performing arts and sports continue to thrive at the school. Gig on the Green has become an annual event and an extra production has been added to the school calendar, providing more depth and opportunities for children interested in the performing arts. A record number of children are enrolled into private music lessons and the College's LAMDA programme. Over one third of the College has appeared in school productions with three different performances this year, this is increasing to four next academic year. Performances included, The Great Gatsby, Legally Blonde and Wind in the Willows.

Further investment in sports has seen Scarborough College compete at an extremely high level in cricket, hockey, golf and rugby. The College secured two national cricket titles, Under 13 Boys and Under 18 Girls. Pupils at various ages groups have reached individual success with recognition at regional levels and the Under 15 Boys reached the national semi-finals. Over 30 pupils have earned county or the equivalent selection. Eleven have earned national selection which is an incredible achievement, including two boys being selected for the Under 19 world Cup. One student has just earned full national selection for the West Indies Ladies Team.

Success has also been reached by the hockey teams, entering at Tier 1 Level. Both boys and girls have secured regional titles, and the girls reached fourth place in the Country in the ISHC competition. The boys also finished third in the national Indoor Championships.

Rugby is also thriving at the College. The U18 team reached the last in the Under 18 plate for a second year in a row. There have been impressive results across all age groups, including four teams appearing at Roselyn Park with participation of over 500 pupils representing the College.

Across all sports 33 pupils have been selected to represent their country in the last 18 months.

**SCARBOROUGH COLLEGE LIMITED**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Financial Review and Results**

The Company continues to grow in size both in terms of pupil numbers, with a 8.4% increase in the numbers and a £1,435,953 growth in net fees. It does, however, maintain committed to providing support to families struggling with the effects of the current economic climate. The principal source of income is fees accounting for 96% of the Company's total income.

The Company itself has seen a rise in expenditure of 4.67% which is driven in part by the rise in pupil numbers and as a result of cost-of-living crisis and inflationary pressure on prices. The Governing Body maintains focussed on controlling the levels of expenditure.

The Company produced a deficit in 2024 - 2025 of £633,154 This does include a loss of £348,001 relating to the fair value adjustment on the defined benefit scheme. It is planned that the Company will next year be once again in surplus and hoped that this position can be maintained for future years.

The Governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of the Company.

As a charity the parents of the pupils have the assurance that all income of the Company must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains, provided these are applied for our charitable aims.

Commencing this year the Company became VAT registered and lost its' previously claimed business rates reduction of 80%. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits the Company brings to our pupils, the local community and society through the education we offer, our bursary programme and our out-reach work create a social asset without a cost to the Government.

Scarborough College has received strong endorsements from both a 2025 ISI Inspection and The Good Schools Guide, with both reports highlighting the school's high academic standards, underpinned by specialist teaching, small class sizes, and a fully IB-based Sixth Form. Alongside exceptional pastoral care, these independent reports show that every pupil is personally known and supported. The school's boarding provision is described as a standout success, bucking the national trend with growing numbers choosing to board in beautifully maintained, homely houses. Beyond the classroom, pupils benefit from a rich extracurricular programme encompassing sport (with over 40 pupils having represented their country), performing arts, outdoor education, and a distinctive Surf Academy that nurtures the school's characteristic "Yorkshire grit." Governance and leadership are praised as visible, values-driven, and strategically sound, with the Headmaster described as "a very human leader," and the school as a whole characterised as an open, tolerant, and ambitious community where pupils thrive academically, personally, and socially from Prep School right through to IB Diploma.

**c. Development and Maintenance**

Other significant maintenance works have been undertaken during the year as part of the Colleges prioritised maintenance plan to ensure the College's buildings continue to function fully as intended.

The completion of a new 4 lane cricket net facility, a new multi-use games area, the completion of a new Boarding House and the development of a new teaching block upgrading the Art and Design and Technology facilities as well as the creation of three additional classrooms. The College remains in discussions with the local Council to purchase and redevelop the Old Sports Centre.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Strategic report (continued)**

**Achievements and performance (continued)**

**d. Key Performance Indicators**

|   | 2025  | 2024<br>(restated) | 2023  | 2022   | 2021  | 2020  |
|---|-------|--------------------|-------|--------|-------|-------|
| IB exam pass rate   | 96.4% | 89%                | 87%   | 88%    | 100%  | 81%   |
| GCSE pass rate (9-4)  | 88%   | 87.8%              | 92%   | 95.60% | 96%   | 89%   |
| Net fee income (£'000)  | 8,674 | 8,462              | 6,790 | 6,275  | 5,431 | 4,709 |
| Non fee income (£'000)  | 526   | 687                | 502   | 1,086  | 258   | 621   |
| Net incoming (outgoing)<br>resources before fair value<br>adjustments (£'000) | (285) | 89                 | (207) | 325    | (655) | (23)  |
| Capital expenditure   | 2,449 | 798                | 881   | 996    | 173   | 416   |

**e. Reserves Policy**

The Governors regularly review the finances, budgets and spend against budget together with a cash flow analysis as part of the effective stewardship of the Company.

In common with other independent schools, the Governors have invested substantial sums into the Company buildings and have a continuing programme of refurbishment and development to maintain the excellent teaching facilities for our pupils.

The Company's unrestricted funds stood at £2,567,920 at the year end, and these were wholly deployed in funding the Company's Capital Expenditure on the premises and equipment. The Company's restricted funds stood at £74,627 at the year end.

The policy of the Governors of Scarborough College Limited is to aim to retain reserves of £1.3 million or more. This is equivalent to approximately three months' expenditure, by means of annual operating surpluses, subject to the prior demands of further capital and revenue expenditure needed to maintain the high standard of the educational facilities provided at the Company. The Governors also aim that at the end of each academic year, an amount equal to 10% of the cash surplus generated in that year, as reported in the cashflow statement, shall be transferred into a dedicated reserve account. The aim of this reserve is to provide a contingency fund for any future major, unforeseen event and also to provide funding for future developments.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Strategic report (continued)**

**Achievements and performance (continued)**

**f. Market Value of Land and Buildings**

In the opinion of the Governors of the Company, the current market value of the Company's land and buildings was not less than the amount £8,272,862 shown in the balance sheet.

**Going Concern**

Along with all independent schools in the United Kingdom, the College is impacted by changes the Government introduced to bring school fees within the scope of standard rated Value Added Tax on with effect from 1 January 2025. In addition, the Government removed the charitable relief for business rates from April 2025 and increased the employers National Insurance charges. These changes have increased the administrative costs for all providers of independent education including the College. The Governors undertook significant planning in anticipation of the VAT changes and have mitigated the impact of the increases in administrative costs by increasing the fees charged, whilst keeping increases in fees as small as possible.

The Governors have assessed whether the use of the going concern basis is appropriate in preparing these financial statements.

In making this assessment, the Governors have considered the College's current financial position, cash flow forecasts, and the level of reserves held. The Governors have also reviewed projected pupil numbers, fee income, and the potential impact of economic conditions on the College's operations. They recognise ongoing economic uncertainty, including inflationary pressures and potential impacts on enrolment. While these factors may affect future performance, the Governors are satisfied that appropriate plans and contingencies are in place to manage these risks.

The College continues to have a full pupil roll and a large capital investment was made during the year in order to expand the College to accommodate a pupil increase of 50 pupils in the senior school. This increase was granted and the College is once again full to capacity.

Cash flow forecasts prepared for a period of at least twelve months from the date of approval of these financial statements indicate that the College will have adequate resources to meet its liabilities as they fall due with the bank support in place. This is based on the Governors' assessment of the likelihood of the bank overdraft facility that expires in September 2026 being renewed. The governors consider it more probable than not that the facility will be renewed based on written correspondence with the bank and past history of overdraft extensions being provided.

The Governors have considered sensitivities in the forecasts, including potential fluctuations in pupil numbers and increases in operating costs. Mitigating actions available to the College include cost management measures and the ability to adjust expenditure if required.

Based on this assessment, the Governors have concluded that the College has adequate resources to continue in operational existence for the foreseeable future and that the going concern basis is appropriate in preparing the financial statements.

**Structure, governance and management**

**a. Governing Document**

The Company is governed by its Memorandum and Articles of Association first issued on 4 December 1896, and filed at Companies House most recently on 29 September 2018.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Structure, governance and management (continued)**

**b. Governing Body**

The Governors, who are also the Charity Trustees, are responsible for the overall management and control of the College and meet four times a year at various sub committees, and four times a year as the full board. The work of implementing their policies is carried out through several governors' sub committees, The sub committees include a Finance and Management Committee, Education and Welfare Committee, and a Marketing Committee. The Board is a self-appointing body, and directors are elected at a full directors' meeting of the Company. The College Business Manager is responsible for co-ordinating the work of the Governors and their Committees, preparation of papers and management accounts, and the review of matters arising.

**c. Governor Recruitment and Training**

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new governors, the important attribute is a passion for the work of the College and an understanding of education as a holistic and rounded experience of personal growth. Where possible the governors consider that the skills and experience of the Board should comprise of the following:

- A governor with a legal background.
- A governor with a financial/accounting background.
- A governor with education experience and background.
- A governor with senior managerial or business experience.
- A governor with HR/employment law experience.
- A governor with property/surveying experience.

On appointment, new Governors are inducted into the workings of the Board and their responsibilities as directors, charity trustees and school governors. The Charity has no formal Governor training procedures in place. However, Governors are encouraged to attend training courses and seminars run by AGBIS (The Association of Governing Bodies of Independent Schools). Additionally, governors are encouraged to take a full part in the activities of the College including attendance at concerts and sports events, plus time in the classroom observing lessons.

**d. Other Relationships**

The Headmaster is a member of the Society of Heads and HMC, attending the society's conferences which are an opportunity to share expertise, knowledge and experience across the independent school sector. The conferences also permit appropriate representation to Government and regulators of the views of the sector. The College is also a member of IAPS and BSA, whilst also holding IB World School status.

The Business Manager is a Board member and Vice Chair of the Independent Schools Bursars Association.

## **SCARBOROUGH COLLEGE LIMITED**

**(A company limited by guarantee)**

### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025**

#### **Structure, governance and management (continued)**

##### **e. Organisational Management**

The Governors and Trustees meet as a Board at least four times a year (October, December, March and June) to determine the general policy of the Company and review the overall management and control, for which they are legally responsible. The work of implementing most of their policies is carried out by the Senior Management Team. The Finance and Management Committee, chaired by Mr G Young, which meets regularly prior to each meeting of the full Governing Board, and on other occasions when necessary to regulate the administration of the College. The other principal committee is the Education and Welfare Committee, which as its title indicates, focuses on matters relating to education/curriculum and welfare.

The Governors determine the general policy of the College but the day to day running of the College is delegated to the Headmaster, supported by the Senior Management Team. The Headmaster undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of both the Prep and Senior schools is undertaken within the policies and procedures approved by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval. The approval process is detailed within the Financial Regulations of the College.

The Headmaster oversees the recruitment of all educational staff, whilst, under delegated authority, the Business Manager oversees the recruitment of administrative and non-teaching support staff. The Headmaster, Head of the Prep School and Business Manager attend Governors' meetings.

##### **f. Related party relationships**

None of the Governors received remuneration or other benefits from their work with the College. Any contractual relationships must be disclosed, and notes of interest are retained in written form.

One of the Governors, Mr R Guthrie, is a Director and person with significant control of Broadland Properties Limited. During the year a sum of £60,000 (2024: £60,000) was paid to Broadland Properties for property rental on an arm's length basis.

Three Governors had children enrolled in the College during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £58,784 (2024: £70,160). This does not affect their capability to make independent and fair decisions but, if there is a specific situation where there may be conflicted interests, Governors will remove themselves from meetings.

An element of Bramcote Sports Centre has been leased to Bramcote Athletics Ltd, Richard Guthrie, Governor of Scarborough College Ltd, is a Director of this company, on a long lease, with approval by the Charities Commission.

##### **g. Key Management Personnel**

The Governors consider that they, together with the Headmaster, the Business Manager and the Prep School Headmaster comprise the key management personnel (see note 14 to the accounts). The Governors give up their time freely and the pay and the remuneration of the Headmaster and senior staff is set by the Board and is kept under annual review.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Structure, governance and management (continued)**

**h. Pay policy for senior staff**

The Company operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools. This allows the Company to remain an attractive employer in the independent school sector.

The bands are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the Company and increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

**i. Risk management**

The Governors and the Board of Scarborough College, with assistance from the College Finance and Management Committee, have examined the principal areas of the College's operations and have considered the major areas of strategic, operational, and business risk which the College faces. The Directors actively review the major risks that may arise on a regular basis, as well as the systems and procedures established to manage them, ensuring that those risks already identified can be mitigated. All the identified risks are contained within the College Risk Management Summary.

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Disclosure of information to auditors**

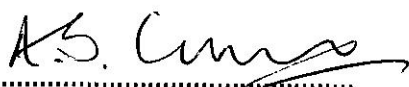
Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Governors and signed on their behalf by:



.....  
**Mr A Green**  
Governor

Date:

**SCARBOROUGH COLLEGE LIMITED**

**(A company limited by guarantee)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2025**

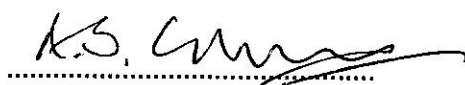
The Governors (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Governors' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Governors and signed on its behalf by:



**Mr A Green**  
Governor

Date:

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**

**Opinion**

We have audited the financial statements of Scarborough College Limited (the 'charitable company') for the year ended 31 August 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 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 requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
**(CONTINUED)**

**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of governors**

As explained more fully in the Governors' responsibilities statement, the Governors 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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
**(CONTINUED)**

**Auditors' responsibilities for the audit of the financial statements**

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with governors, and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non compliance throughout the audit.

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

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

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

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

**SCARBOROUGH COLLEGE LIMITED**

**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED  
(CONTINUED)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Huw Nicholls (Senior statutory auditor)**

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants & Statutory Auditors  
Leeds

Date: **26/05/2026**

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2025**

|   | Note | Unrestricted<br>funds<br>2025<br>£ | Restricted<br>funds<br>2025<br>£ | Endowment<br>funds<br>2025<br>£ | Total<br>funds<br>2025<br>£ | As restated<br>Total<br>funds<br>2024<br>£ |
|---|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|--|
| <b>Income and endowments from:</b>                                  |      |                                    |                                  |                                 |                             |  |
| Donations and legacies  | 4    | 4,004                              | 125,000                          | -                               | 129,004                     | 333,797                                    |
| Charitable activities   | 5    | 8,193,713                          | 132,694                          | -                               | 8,326,407                   | 8,462,564                                  |
| Other trading activities  | 6    | 353,715                            | -                                | -                               | 353,715                     | 341,370                                    |
| Investments   | 7    | 39,371                             | -                                | -                               | 39,371                      | 10,178                                     |
| Other income  | 8    | 4,284                              | -                                | -                               | 4,284                       | 3,350                                      |
| <b>Total income and endowments</b>                                  |      | <b>8,595,087</b>                   | <b>257,694</b>                   | <b>-</b>                        | <b>8,852,781</b>            | <b>9,151,259</b>                           |
| <b>Expenditure on:</b>  |      |                                    |                                  |                                 |                             |  |
| Raising funds   | 9    | 599,301                            | -                                | -                               | 599,301                     | 565,215                                    |
| Charitable activities   | 10   | 8,405,577                          | 133,056                          | -                               | 8,538,633                   | 8,497,478                                  |
| <b>Total expenditure</b>  |      | <b>9,004,878</b>                   | <b>133,056</b>                   | <b>-</b>                        | <b>9,137,934</b>            | <b>9,062,693</b>                           |
| <b>Net (expenditure)/income</b>                                     |      | <b>(409,791)</b>                   | <b>124,638</b>                   | <b>-</b>                        | <b>(285,153)</b>            | <b>88,566</b>                              |
| Transfer/revaluation  | 22   | 125,000                            | (125,000)                        | -                               | -                           | -  |
| <b>Net movement in funds before other recognised gains/(losses)</b> |      | <b>(284,791)</b>                   | <b>(362)</b>                     | <b>-</b>                        | <b>(285,153)</b>            | <b>88,566</b>                              |
| <b>Other recognised gains/(losses):</b>                             |      |                                    |                                  |                                 |                             |  |
| Actuarial loss on defined benefit pension schemes                   | 29   | (348,001)                          | -                                | -                               | (348,001)                   | (11,091)                                   |
| <b>Net movement in funds</b>  |      | <b>(632,792)</b>                   | <b>(362)</b>                     | <b>-</b>                        | <b>(633,154)</b>            | <b>77,475</b>                              |
| <b>Reconciliation of funds:</b>                                     |      |                                    |                                  |                                 |                             |  |
| Total funds brought forward   |      | 3,200,712                          | 74,989                           | 102                             | 3,275,803                   | 3,198,328                                  |
| Net movement in funds   |      | (632,792)                          | (362)                            | -                               | (633,154)                   | 77,475                                     |
| <b>Total funds carried forward</b>                                  |      | <b>2,567,920</b>                   | <b>74,627</b>                    | <b>102</b>                      | <b>2,642,649</b>            | <b>3,275,803</b>                           |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 24 to 52 form part of these financial statements.

**SCARBOROUGH COLLEGE LIMITED**

(A company limited by guarantee)

REGISTERED NUMBER: 00050404

**BALANCE SHEET  
AS AT 31 AUGUST 2025**

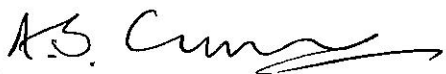
|   | <b>Note</b> | <b>2025<br/>£</b>        | <b>2024<br/>£</b> |
|---|-------------|--------------------------|-------------------|
| <b>Fixed assets</b>                                     |             |                          |                   |
| Intangible assets                                       | 15          | <b>29,817</b>            | 10,242            |
| Tangible assets   | 16          | <b>10,868,508</b>        | 9,527,312         |
|   |             | <hr/> <b>10,898,325</b>  | <hr/> 9,537,554   |
| <b>Current assets</b>                                   |             |                          |                   |
| Debtors   | 17          | <b>688,380</b>           | 4,943,112         |
| Cash at bank and in hand                                |             | <b>631,712</b>           | 2,513,528         |
|   |             | <hr/> <b>1,320,092</b>   | <hr/> 7,456,640   |
| <b>Current liabilities</b>                              |             |                          |                   |
| Creditors: amounts falling due within one year          | 18          | <b>(6,947,900)</b>       | (9,854,786)       |
|   |             | <hr/> <b>(5,627,808)</b> | <hr/> (2,398,146) |
| <b>Total assets less current liabilities</b>            |             | <hr/> <b>5,270,517</b>   | <hr/> 7,139,408   |
| Creditors: amounts falling due after more than one year | 19          | <b>(1,994,913)</b>       | (3,578,651)       |
| Provisions for liabilities                              | 20          | <b>(632,955)</b>         | (284,954)         |
|   |             | <hr/> <b>2,642,649</b>   | <hr/> 3,275,803   |
| <b>Total net assets</b>                                 |             | <hr/> <b>2,642,649</b>   | <hr/> 3,275,803   |
|   |             |                          |                   |
| Endowment funds   | 22          | <b>102</b>               | 102               |
| Restricted funds:                                       |             |                          |                   |
| Peggy Bailey Legacy                                     | 22          | <b>73,470</b>            | 73,470            |
| Early Years   | 22          | <b>57</b>                | 419               |
| Cricket Pavilion Fund                                   | 22          | <b>1,100</b>             | 1,100             |
|   |             | <hr/> <b>74,627</b>      | <hr/> 74,989      |
| Total restricted funds                                  | 22          |                          |                   |
| Unrestricted funds                                      |             |                          |                   |
| Called up share capital                                 | 22          | <b>5,507</b>             | 5,507             |
| General funds   | 22          | <b>1,884,324</b>         | 2,517,116         |
| Revaluation reserve                                     |             | <b>678,089</b>           | 678,089           |
|   |             | <hr/> <b>2,567,920</b>   | <hr/> 3,200,712   |
| Total unrestricted funds                                | 22          |                          |                   |
|   |             | <hr/> <b>2,642,649</b>   | <hr/> 3,275,803   |
| <b>Total funds</b>                                      |             | <hr/> <b>2,642,649</b>   | <hr/> 3,275,803   |

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 00050404**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2025**

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



.....  
**Mr A Green**  
Governor

Date:

The notes on pages 24 to 52 form part of these financial statements.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

|   | Note | 2025<br>£          | 2024<br>£        |
|---|------|--------------------|------------------|
| <b>Cash flows from operating activities</b>             |      |                    |                  |
| Net cash generated in operating activities              | 25   | <b>(379,604)</b>   | 2,336,643        |
| <b>Cash flows from investing activities</b>             |      |                    |                  |
| Interest received                                       |      | <b>39,371</b>      | 10,178           |
| Purchase of intangible assets                           |      | <b>(30,000)</b>    | -                |
| Purchase of tangible fixed assets                       |      | <b>(2,148,948)</b> | (798,259)        |
| <b>Net cash used in investing activities</b>            |      | <b>(2,139,577)</b> | <b>(788,081)</b> |
| <b>Cash flows from financing activities</b>             |      |                    |                  |
| Loan repayments   |      | <b>(156,919)</b>   | (89,216)         |
| Capital repayments                                      |      | -                  | (120)            |
| Interest paid   |      | <b>(227,221)</b>   | (148,245)        |
| New loans   |      | <b>1,021,505</b>   | 316,870          |
| <b>Net cash provided by financing activities</b>        |      | <b>637,365</b>     | <b>79,289</b>    |
| <b>Change in cash and cash equivalents in the year</b>  |      | <b>(1,881,816)</b> | <b>1,627,851</b> |
| Cash and cash equivalents at the beginning of the year  |      | <b>2,513,528</b>   | 885,677          |
| <b>Cash and cash equivalents at the end of the year</b> | 26   | <b>631,712</b>     | 2,513,528        |

The notes on pages 24 to 52 form part of these financial statements

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**1. General information**

Scarborough College Limited ("the Company") is a private limited company incorporated in England. The address of the Company's registered office and principal place of business is Scarborough College, Filey Road, Scarborough, North Yorkshire, YO11 3BA.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

## SCARBOROUGH COLLEGE LIMITED

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

#### 2. Accounting policies (continued)

##### 2.2 Going concern

Along with all independent schools in the United Kingdom, the College is impacted by changes the Government introduced to bring school fees within the scope of standard rated Value Added Tax on with effect from 1 January 2025. In addition, the Government removed the charitable relief for business rates from April 2025 and increased the employers National Insurance charges. These changes have increased the administrative costs for all providers of independent education including the College. The Governors undertook significant planning in anticipation of the VAT changes and have mitigated the impact of the increases in administrative costs by increasing the fees charged, whilst keeping increases in fees as small as possible.

The Governors have assessed whether the use of the going concern basis is appropriate in preparing these financial statements.

In making this assessment, the Governors have considered the College's current financial position, cash flow forecasts, and the level of reserves held. The Governors have also reviewed projected pupil numbers, fee income, and the potential impact of economic conditions on the College's operations. They recognise ongoing economic uncertainty, including inflationary pressures and potential impacts on enrolment. While these factors may affect future performance, the Governors are satisfied that appropriate plans and contingencies are in place to manage these risks.

The College continues to have a full pupil roll and a large capital investment was made during the year in order to expand the College to accommodate a pupil increase of 50 pupils in the senior School. This increase was granted and the College is once again full to capacity.

Cash flow forecasts prepared for a period of at least twelve months from the date of approval of these financial statements indicate that the College will have adequate resources to meet its liabilities as they fall due with the bank support in place. This is based on the Governors' assessment of the likelihood of the bank overdraft facility that expires in September 2026 being renewed. The governors consider it more probable than not that the facility will be renewed based on written correspondence with the bank and past history of overdraft extensions being provided.

The Governors have considered sensitivities in the forecasts, including potential fluctuations in pupil numbers and increases in operating costs. Mitigating actions available to the College include cost management measures and the ability to adjust expenditure if required.

Based on this assessment, the Governors have concluded that the College has adequate resources to continue in operational existence for the foreseeable future and that the going concern basis is appropriate in preparing the financial statements.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**2. Accounting policies (continued)**

**2.3 Income**

Fees receivable, and charges for services and use of the premises, are accounted for in the academic year in which the service is provided. Fees receivable are after deduction of bursaries and allowances. Where fees are received in advance they are deferred until the criteria for income recognition are met. Donations and other income are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income is stated excluding VAT.

**Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Legacies**

Entitlement is when income is probable and measurable. A legacy receipt is normally probable when there has been a grant of probate, executors have established that there are sufficient assets, and any conditions attached to the legacy are in control of or met by the charity. A legacy is measurable when it can be measured or estimated with sufficient reliability.

**Grants receivable**

Grant income is recognised once both the income recognition criteria and terms and conditions attached to the grant are met. Grants receivable as compensation for expenses or losses already incurred, or for the purpose of receiving immediate financial support are recognised in other operating income in the period in which they become receivable.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure accounted for on an accruals basis is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs that contribute to more than one activity and support costs that are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities that further the Company's objectives, as well as any associated support costs.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

**Allocation of Support Costs**

Support costs are those functions that assist the work of the Company but do not directly undertake charitable activity. Support costs include the costs of office salaries and governance costs which support the Company in the provision of education. The bases on which support costs have been allocated are set out in note 11.

**2.5 Intangible assets and amortisation**

Intangible assets comprise of a marketing film and website development costs, both of which are being amortised over their useful estimated lives of five years. Website development costs are capitalised on the basis that they meet the recognition criteria of an asset, namely that future economic benefits will flow to the entity.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life within expenditure on charitable activities heading within the Statement of Financial Activities.

The estimated useful lives are as follows:

|                           |           |
|---------------------------|-----------|
| Marketing film            | - 5 years |
| Website Development Costs | - 5 years |

**2.6 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

|                               |  |
|-------------------------------|--|
| Freehold property             | - Valuation model                        |
| Short-term leasehold property | - Over the term of the lease             |
| Motor rollers and mowers      | - 20% Straight line                      |
| Fixtures and fittings         | - 2%, 5%, 10%, 20% and 33% straight line |
| Computer equipment            | - 20% and 33% Straight line              |

Each financial year the Governors review the treatment of each class of asset during that year.

The valuation model is used to determine the appropriate net book value of freehold property in the accounts, with the Governors determining if there are any factors that indicate a requirement for impairment each year.

There is no specific capitalisation threshold for tangible fixed assets. Impairment reviews are undertaken annually for freehold land and buildings and for other assets when there is indication an asset may be impaired.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**2. Accounting policies (continued)**

**2.7 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.8 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.9 Liabilities**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**2.10 Financial instruments**

The Company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.11 Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.12 Pensions**

The Company participates and where necessary contributes into the Independent Schools' Pension defined benefit schemes at rates set by the schemes' actuaries. The scheme is a multi-employer pension scheme, as a result of which it is neither possible nor appropriate to identify the assets and liabilities of the scheme which are attributable to the Company. Contributions are charged in the financial statements in the period when they fall due. When 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 Company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2023.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**2. Accounting policies (continued)**

**2.13 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Endowment funds are a prize giving fund, and represents monies held for the endowment of a prize.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**3. Critical accounting estimates and areas of judgment**

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a heightened risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Bad Debt Provision**

The Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 17 for the net carrying amount of the debtors and associated impairment provision if applicable.

**Provision against liabilities**

Provisions are recognised when there is a present obligation as a result of a past event, where transfer of economic benefits is probable to settle the obligation and this can be reliably measured. The entity makes use of available relevant legal expertise to establish whether quantum can be reliably measured in such cases. Based on this information, the Company makes a provision based on the best estimate of the amount potentially required to settle the obligation including costs, taking into account the time value of money where material.

The Governors do not consider that any other judgements, estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Pension Liability**

The Company has an obligation to pay benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends. See note 29 for the disclosures relating to the pension scheme.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**4. Income from donations and legacies**

|           | <b>Unrestricted<br/>funds<br/>2025<br/>£</b> | <b>Restricted<br/>funds<br/>2025<br/>£</b> | <b>Total<br/>funds<br/>2025<br/>£</b> |
|-----------|--|--|---------------------------------------|
| Donations | 4,004  | 125,000                                    | <b>129,004</b>                        |

|           | <b>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Restricted<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
|-----------|--|--|---------------------------------------|
| Donations | 130,815                                      | 202,982                                    | 333,797                               |

**5. Income from charitable activities**

|  | <b>Unrestricted<br/>funds<br/>2025<br/>£</b> | <b>Restricted<br/>funds<br/>2025<br/>£</b> | <b>Total<br/>funds<br/>2025<br/>£</b> |
|--|--|--|---------------------------------------|
| Fees generated from the provision of education | 8,193,713                                    | 132,694                                    | <b>8,326,407</b>                      |

|  | <b>As restated<br/>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Restricted<br/>funds<br/>2024<br/>£</b> | <b>As restated<br/>Total<br/>funds<br/>2024<br/>£</b> |
|--|--|--|---|
| Fees generated from the provision of education | 8,333,493  | 129,071                                    | 8,462,564   |

The income from school fees was £8,326,407 (2024 restated: £8,462,564) of which of £8,193,713 (2024: restated £8,333,493) was unrestricted and £132,694 (2024: £129,071) was restricted. Included within restricted funds is early years funding to fund early years education of pupils aged between 3 and 5 years old.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**6. Income from other trading activities**

**Income from non charitable trading activities**

|                                  | <b>Unrestricted<br/>funds<br/>2025<br/>£</b> | <b>Total<br/>funds<br/>2025<br/>£</b> |
|----------------------------------|--|---------------------------------------|
| Other trading income             | 101,586                                      | <b>101,586</b>                        |
| School holiday and hiring income | 47,567                                       | <b>47,567</b>                         |
| Special educational needs income | 37,289                                       | <b>37,289</b>                         |
| Bus income                       | 167,273                                      | <b>167,273</b>                        |
|                                  | 353,715                                      | <b>353,715</b>                        |
|                                  | 353,715                                      | <b>353,715</b>                        |
|                                  | <b>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
| Other trading income             | 61,847                                       | 61,847                                |
| School holiday and hiring income | 25,005                                       | 25,005                                |
| Special educational needs income | 89,398                                       | 89,398                                |
| Bus income                       | 165,120                                      | 165,120                               |
|                                  | 341,370                                      | 341,370                               |
|                                  | 341,370                                      | 341,370                               |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**7. Investment income**

|                          | <b>Unrestricted<br/>funds<br/>2025<br/>£</b> | <b>Total<br/>funds<br/>2025<br/>£</b> |
|--------------------------|--|---------------------------------------|
| Deposit account interest | 39,371                                       | <b>39,371</b>                         |

|                          | <b>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
|--------------------------|--|---------------------------------------|
| Deposit account interest | 10,178                                       | 10,178                                |

**8. Other incoming resources**

|                  | <b>Unrestricted<br/>funds<br/>2025<br/>£</b> | <b>Total<br/>funds<br/>2025<br/>£</b> |
|------------------|--|---------------------------------------|
| Insurance claims | 4,284  | <b>4,284</b>                          |

|                     | <b>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
|---------------------|--|---------------------------------------|
| Insurance claims    | 2,214  | 2,214                                 |
| Bad debts recovered | 1,136  | 1,136                                 |
|                     | 3,350  | 3,350                                 |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**9. Expenditure on raising funds**

**Fundraising trading expenses**

|                      | <b>Unrestricted<br/>funds<br/>2025<br/>£</b> | <b>Total<br/>funds<br/>2025<br/>£</b> |
|----------------------|--|---------------------------------------|
| Loan interest        | 224,888                                      | <b>224,888</b>                        |
| Bank charges         | 25,346                                       | <b>25,346</b>                         |
| Agent commission     | 348,668                                      | <b>348,668</b>                        |
| Bad debts            | 399  | <b>399</b>                            |
|                      | 599,301                                      | <b>599,301</b>                        |
|                      | 599,301                                      | <b>599,301</b>                        |
|                      | <b>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
| Loan interest        | 148,245                                      | 148,245                               |
| Bank charges         | 27,996                                       | 27,996                                |
| Agent commission     | 385,218                                      | 385,218                               |
| Debt collection fees | 3,756  | 3,756                                 |
|                      | 565,215                                      | 565,215                               |
|                      | 565,215                                      | 565,215                               |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**10. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                        | <b>Unrestricted<br/>funds<br/>2025<br/>£</b>                 | <b>Restricted<br/>funds<br/>2025<br/>£</b> | <b>Total<br/>2025<br/>£</b>                 |
|------------------------|--|--|---|
| Provision of education | 8,405,577  | 133,056                                    | <b>8,538,633</b>                            |
|                        | <u>8,405,577</u>   | <u>133,056</u>                             | <u>8,538,633</u>                            |
|                        | <b>As restated<br/>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Restricted<br/>funds<br/>2024<br/>£</b> | <b>As restated<br/>Total<br/>2024<br/>£</b> |
| Provision of education | 8,368,433  | 129,045                                    | 8,497,478                                   |
|                        | <u>8,368,433</u>   | <u>129,045</u>                             | <u>8,497,478</u>                            |

**11. Analysis of expenditure by activities**

|                        | <b>Activities<br/>undertaken<br/>directly<br/>2025<br/>£</b>                 | <b>Support<br/>costs<br/>2025<br/>£</b> | <b>Total<br/>funds<br/>2025<br/>£</b>                 |
|------------------------|--|---|---|
| Provision of education | 7,202,866  | 1,335,767                               | <b>8,538,633</b>                                      |
|                        | <u>7,202,866</u>   | <u>1,335,767</u>                        | <u>8,538,633</u>                                      |
|                        | <b>As restated<br/>Activities<br/>undertaken<br/>directly<br/>2024<br/>£</b> | <b>Support<br/>costs<br/>2024<br/>£</b> | <b>As restated<br/>Total<br/>funds<br/>2024<br/>£</b> |
| Provision of education | 7,206,233  | 1,291,245                               | 8,497,478   |
|                        | <u>7,206,233</u>   | <u>1,291,245</u>                        | <u>8,497,478</u>                                      |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**11. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

|  | <b>Total<br/>funds<br/>2025<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
|--|---------------------------------------|---------------------------------------|
| Staff costs                              | <b>640,978</b>                        | 628,557                               |
| Depreciation                             | <b>23,500</b>                         | 13,992                                |
| Staff superannuation                     | <b>87,126</b>                         | 29,548                                |
| Auditors remuneration for non audit work | <b>3,000</b>                          | 2,500                                 |
| Telephone                                | <b>46,618</b>                         | 33,854                                |
| Auditor remuneration                     | <b>22,000</b>                         | 18,240                                |
| Postage                                  | <b>91,754</b>                         | 99,957                                |
| Vehicles                                 | <b>149,767</b>                        | 151,266                               |
| Advertising                              | <b>182,377</b>                        | 209,422                               |
| HR Services                              | <b>24,429</b>                         | 24,429                                |
| Governors indemnity insurance            | <b>3,594</b>                          | 3,594                                 |
| Amortisation                             | <b>10,426</b>                         | 11,031                                |
| Legal and professional fees              | <b>50,198</b>                         | 64,855                                |
|  | <b><u>1,335,767</u></b>               | <u>1,291,245</u>                      |

**12. Auditors' remuneration**

|   | <b>2025<br/>£</b>   | <b>2024<br/>£</b> |
|---|---------------------|-------------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts              | <b>22,000</b>       | 18,240            |
| Fees payable to the Company's auditor in respect of:<br>All non-audit services not included above | <b>3,000</b>        | 2,500             |
|   | <b><u>3,000</u></b> | <u>2,500</u>      |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**13. Staff costs**

|   | 2025<br>£        | 2024<br>£        |
|---|------------------|------------------|
| Wages and salaries                          | 4,168,707        | 4,204,518        |
| Social security costs                       | 463,652          | 384,934          |
| Cost of defined contribution pension scheme | 557,775          | 453,282          |
|   | <u>5,190,134</u> | <u>5,042,734</u> |

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The key management personnel of the Company comprise the Governors, the Headmaster, the Headmaster of the Prep School and the Business Manager. The total employee benefits, including employer pension contributions, of the key management personnel of the Company were £534,812 (2024: £469,152).

The average number of persons employed by the Company during the year was as follows:

|                             | 2025<br>No. | 2024<br>No. |
|-----------------------------|-------------|-------------|
| Tuition                     | 90          | 89          |
| Administration and services | 57          | 57          |
|                             | <u>147</u>  | <u>146</u>  |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                                 | 2025<br>No. | 2024<br>No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000   | 3           | 3           |
| In the band £70,001 - £80,000   | 1           | 1           |
| In the band £80,001 - £90,000   | 1           | 1           |
| In the band £130,001 - £140,000 | -           | 1           |
| In the band £140,001 - £150,000 | 1           | -           |

**14. Governors' remuneration and expenses**

During the year, no Governors received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 August 2025, no Governor expenses have been incurred (2024 - £NIL).

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**15. Intangible assets**

|                       | <b>Marketing<br/>Film<br/>£</b> | <b>Website<br/>Development<br/>Costs<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------|---------------------------------|--|--------------------|
| <b>Cost</b>           |                                 |  |                    |
| At 1 September 2024   | 50,179                          | 24,635   | 74,814             |
| Additions             | -                               | 30,000   | 30,000             |
| At 31 August 2025     | 50,179                          | 54,635   | 104,814            |
| <b>Amortisation</b>   |                                 |  |                    |
| At 1 September 2024   | 40,758                          | 23,814   | 64,572             |
| Charge for the year   | 6,104                           | 4,321  | 10,425             |
| At 31 August 2025     | 46,862                          | 28,135   | 74,997             |
| <b>Net book value</b> |                                 |  |                    |
| At 31 August 2025     | 3,317                           | 26,500   | 29,817             |
| At 31 August 2024     | 9,421                           | 821  | 10,242             |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**16. Tangible fixed assets**

|                          | Freehold<br>property<br>£ | Long-term<br>leasehold<br>property<br>£ | Assets<br>under<br>construction<br>£ | Fixtures and<br>fittings<br>£ | Total<br>£               |
|--------------------------|---------------------------|---|--------------------------------------|-------------------------------|--------------------------|
| <b>Cost or valuation</b> |                           |   |                                      |                               |                          |
| At 1 September 2024      | 7,230,675                 | 88,461                                  | 176,045                              | 6,047,327                     | 13,542,508               |
| Additions                | 1,042,187                 | -                                       | 652,296                              | 454,465                       | 2,148,948                |
| VAT reclaimed            | (209,898)                 | -                                       | -                                    | (201,265)                     | (411,163)                |
| At 31 August 2025        | <u>8,062,964</u>          | <u>88,461</u>                           | <u>828,341</u>                       | <u>6,300,527</u>              | <u>15,280,293</u>        |
| <b>Depreciation</b>      |                           |   |                                      |                               |                          |
| At 1 September 2024      | -                         | 34,011                                  | -                                    | 3,981,185                     | 4,015,196                |
| Charge for the year      | -                         | 6,226                                   | -                                    | 390,363                       | 396,589                  |
| At 31 August 2025        | <u>-</u>                  | <u>40,237</u>                           | <u>-</u>                             | <u>4,371,548</u>              | <u>4,411,785</u>         |
| <b>Net book value</b>    |                           |   |                                      |                               |                          |
| At 31 August 2025        | <u><u>8,062,964</u></u>   | <u><u>48,224</u></u>                    | <u><u>828,341</u></u>                | <u><u>1,928,979</u></u>       | <u><u>10,868,508</u></u> |
| At 31 August 2024        | <u><u>7,230,675</u></u>   | <u><u>54,450</u></u>                    | <u><u>176,045</u></u>                | <u><u>2,066,142</u></u>       | <u><u>9,527,312</u></u>  |

The Company has incurred input VAT in previous periods on capital expenditure relating to the building of a boarding house, Weaponness House. Now that the Company is registered for VAT, this expenditure falls within the scope of the Capital Goods Scheme. However, under the conditions of the scheme, the Company is limited to claiming a maximum of 10% of the VAT each year. Based on the success of previous VAT reclaim and expected future use, we are comfortable that the likelihood of future reclaims meets the definition of virtually certain, so it is appropriate to recognise a debtor for the reclaim of the full VAT expenditure, approximately £209,898.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**17. Debtors**

|                                     | 2025<br>£ | 2024<br>£ |
|-------------------------------------|-----------|-----------|
| <b>Due after more than one year</b> |           |           |
| Trade debtors                       | 49,430    | 66,707    |
| VAT debtor                          | 157,424   | -         |
|                                     | 206,854   | 66,707    |
| <b>Due within one year</b>          |           |           |
| Trade debtors                       | 41,056    | 4,603,627 |
| Other debtors                       | 57,665    | 67,300    |
| Prepayments and accrued income      | 330,331   | 205,478   |
| VAT debtor                          | 52,475    | -         |
|                                     | 688,381   | 4,943,112 |

The VAT debtors relate to the future reclaim of VAT on previously incurred capital expenditure, as discussed in note 16.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**18. Creditors: Amounts falling due within one year**

|   | 2025<br>£        | 2024<br>£        |
|---|------------------|------------------|
| Bank loans  | 2,051,744        | 149,823          |
| Trade creditors   | 1,030,235        | 412,859          |
| Other taxation and social security                          | 327,451          | 93,086           |
| Obligations under finance lease and hire purchase contracts | 120              | 120              |
| Other creditors   | 781,813          | 822,022          |
| Accruals and deferred income                                | 2,756,537        | 8,376,876        |
|   | <u>6,947,900</u> | <u>9,854,786</u> |

Deferred income comprises school fees paid in advance for the next school year. The balance included within creditors relates to amounts deferred during the reporting period of £2,205,882 (2024: £8,330,406), with amounts being released to the Statement of Financial Activities of £6,124,524 (2024: £8,023,905).

**19. Creditors: Amounts falling due after more than one year**

|   | 2025<br>£        | 2024<br>£        |
|---|------------------|------------------|
| Bank loans  | 1,623,684        | 2,661,016        |
| Net obligations under finance lease and hire purchase contracts | 1,440            | 1,440            |
| Accruals and deferred income                                    | 369,789          | 916,195          |
|   | <u>1,994,913</u> | <u>3,578,651</u> |

Bank borrowings at the year end total £3,675,428 (2024: 2,810,839). The original bank loan is repayable in 300 consecutive monthly instalments representing principal and interest, which commenced in May 2016. The rate of interest payable on the loan is Base Rate plus 4.2% per annum. The loan matures in 2041.

Further loan advances were obtained for the re-development of Weaponness House, which are repayable in 288 consecutive monthly instalments representing principal and interest and repayments commenced in April 2019. The rate of the interest payable on this loan is fixed at 4.52% per annum and it matures in 2043. There was a breach of loan covenants in the period on this loan. The provider has indicated that they are expecting to waive the covenant breach. However, since the indication of the waiver was received after the balance sheet date, the entire loan balance has been classified as due within one year.

A new loan was obtained in the year for the development of White Lodge. This is repayable in 300 consecutive monthly instalments representing principal and interest. Repayments commenced in December 2024. The rate of the interest payable on this loan is fixed at 3.5% over the base rate per annum and matures in 2049.

Deferred income comprises school fees paid in advance for school years after 2025/26.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

Included within the above are amounts falling due as follows:

|                                   | <b>2025</b>                 | 2024                        |
|-----------------------------------|-----------------------------|-----------------------------|
|                                   | £                           | £                           |
| <b>Between one and two years</b>  |                             |                             |
| Bank loans                        | <b>118,286</b>              | 159,726                     |
|                                   | <u>                    </u> | <u>                    </u> |
| <b>Between two and five years</b> |                             |                             |
| Bank loans                        | <b>195,878</b>              | 413,941                     |
|                                   | <u>                    </u> | <u>                    </u> |
| <b>Over five years</b>            |                             |                             |
| Bank loans                        | <b>1,309,520</b>            | 2,087,349                   |
|                                   | <u>                    </u> | <u>                    </u> |

**20. Provisions**

|                             | <b>Pension<br/>provision</b> |
|-----------------------------|------------------------------|
|                             | £                            |
| At 1 September 2024         | <b>284,954</b>               |
| Amounts charged to the SOFA | <b>348,001</b>               |
|                             | <u>                    </u>  |
|                             | <b>632,955</b>               |
|                             | <u>                    </u>  |

**21. Prior year adjustment**

Following a reanalysis in the year, agent commissions payable has been relocated to expenditure instead of being netted off against income. This has resulted in an adjustment to increase unrestricted fundraising costs and unrestricted charitable activity income by £385,219. There is no effect on the previously reported surplus or funds as at the previous balance sheet date.

**SCARBOROUGH COLLEGE LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**22. Statement of funds**

**Statement of funds - current year**

|                                 | Balance at 1<br>September<br>2024<br>£ | Income<br>£             | Expenditure<br>£          | Transfer<br>£    | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2025<br>£ |
|---------------------------------|--|-------------------------|---------------------------|------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>       |  |                         |                           |                  |                         |                                      |
| <b>Called up share capital</b>  |  |                         |                           |                  |                         |                                      |
| Called up share capital         | 5,507                                  | -                       | -                         | -                | -                       | 5,507                                |
| <b>General funds</b>            |  |                         |                           |                  |                         |                                      |
| General Funds                   | 2,517,116                              | 8,595,087               | (9,004,878)               | 125,000          | (348,001)               | 1,884,324                            |
| Revaluation reserve             | 678,089                                | -                       | -                         | -                | -                       | 678,089                              |
|                                 | <u>3,195,205</u>                       | <u>8,595,087</u>        | <u>(9,004,878)</u>        | <u>125,000</u>   | <u>(348,001)</u>        | <u>2,562,413</u>                     |
| <b>Total Unrestricted funds</b> | <u>3,200,712</u>                       | <u>8,595,087</u>        | <u>(9,004,878)</u>        | <u>125,000</u>   | <u>(348,001)</u>        | <u>2,567,920</u>                     |
| <b>Endowment funds</b>          |  |                         |                           |                  |                         |                                      |
| Endowment Funds - all funds     | 102                                    | -                       | -                         | -                | -                       | 102                                  |
| <b>Restricted funds</b>         |  |                         |                           |                  |                         |                                      |
| Peggy Bailey Legacy             | 73,470                                 | -                       | -                         | -                | -                       | 73,470                               |
| Early Years                     | 419                                    | 132,694                 | (133,056)                 | -                | -                       | 57                                   |
| Cricket Pavillion Fund          | 1,100                                  | -                       | -                         | -                | -                       | 1,100                                |
| Cricket Nets                    | -                                      | 125,000                 | -                         | (125,000)        | -                       | -                                    |
|                                 | <u>74,989</u>                          | <u>257,694</u>          | <u>(133,056)</u>          | <u>(125,000)</u> | <u>-</u>                | <u>74,627</u>                        |
| <b>Total of funds</b>           | <u><u>3,275,803</u></u>                | <u><u>8,852,781</u></u> | <u><u>(9,137,934)</u></u> | <u><u>-</u></u>  | <u><u>(348,001)</u></u> | <u><u>2,642,649</u></u>              |

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**22. Statement of funds (continued)**

The endowment fund is a prize giving fund, and represents monies held for the endowment of a prize.

The Peggy Bailey Legacy fund represents monies donated to the Company restricted to the endowment of an award, prize or scholarship for students.

The Early Years fund represents Government funding received for the education of pupils aged 3 to 5 years.

The Cricket Pavilion Fund represents monies donated to the Company towards the cost of rebuilding a new pavilion within the grounds of the Company, following a fire which completely destroyed the previous building.

The Cricket nets fund relates to a donation received a parent in order to fund the construction of cricket nets on the school site. All of the money had been spent by the balance sheet date.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**22. Statement of funds (continued)**

**Statement of funds - prior year**

|                                 | Balance at<br>1 September<br>2023<br>£ | As restated<br>Income<br>£ | Expenditure<br>£   | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2024<br>£ |
|---------------------------------|--|----------------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>       |  |                            |                    |                          |                         |                                      |
| <b>Called up share capital</b>  |  |                            |                    |                          |                         |                                      |
| Called up share capital         | 5,507                                  | -                          | -                  | -                        | -                       | 5,507                                |
| <b>General funds</b>            |  |                            |                    |                          |                         |                                      |
| General Funds - all funds       | 2,439,667                              | 8,433,988                  | (8,548,430)        | 202,982                  | (11,091)                | 2,517,116                            |
| Revaluation reserve             | 678,089                                | -                          | -                  | -                        | -                       | 678,089                              |
|                                 | <u>3,117,756</u>                       | <u>8,433,988</u>           | <u>(8,548,430)</u> | <u>202,982</u>           | <u>(11,091)</u>         | <u>3,195,205</u>                     |
| <b>Total Unrestricted funds</b> | <u>3,123,263</u>                       | <u>8,433,988</u>           | <u>(8,548,430)</u> | <u>202,982</u>           | <u>(11,091)</u>         | <u>3,200,712</u>                     |
| <b>Endowment funds</b>          |  |                            |                    |                          |                         |                                      |
| Endowment Funds - all funds     | 102                                    | -                          | -                  | -                        | -                       | 102                                  |
| <b>Restricted funds</b>         |  |                            |                    |                          |                         |                                      |
| Peggy Bailey Legacy             | 73,470                                 | -                          | -                  | -                        | -                       | 73,470                               |
| Early Years                     | 393                                    | 129,071                    | (129,045)          | -                        | -                       | 419                                  |
| Cricket Pavillion Fund          | 1,100                                  | -                          | -                  | -                        | -                       | 1,100                                |
|                                 | <u>74,963</u>                          | <u>129,071</u>             | <u>(129,045)</u>   | <u>-</u>                 | <u>-</u>                | <u>74,989</u>                        |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**22. Statement of funds (continued)**

**Restricted fixed  
asset funds**

|                               |           |           |             |           |          |           |
|-------------------------------|-----------|-----------|-------------|-----------|----------|-----------|
| Cafe extension                | -         | 202,982   | -           | (202,982) | -        | -         |
| <b>Total Restricted funds</b> | 74,963    | 332,053   | (129,045)   | (202,982) | -        | 74,989    |
| <b>Total of funds</b>         | 3,198,328 | 8,766,041 | (8,677,475) | -         | (11,091) | 3,275,803 |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**23. Summary of funds**

**Summary of funds - current year**

|                  | Balance at 1<br>September<br>2024<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2025<br>£ |
|------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Designated funds | 5,507                                  | -                | -                  | -                        | -                       | 5,507                                |
| General funds    | 3,195,205                              | 8,595,087        | (9,004,878)        | 125,000                  | (348,001)               | 2,562,413                            |
| Endowment funds  | 102                                    | -                | -                  | -                        | -                       | 102                                  |
| Restricted funds | 74,989                                 | 257,694          | (133,056)          | (125,000)                | -                       | 74,627                               |
|                  | <u>3,275,803</u>                       | <u>8,852,781</u> | <u>(9,137,934)</u> | <u>-</u>                 | <u>(348,001)</u>        | <u>2,642,649</u>                     |

**Summary of funds - prior year**

|                              | Balance at<br>1 September<br>2023<br>£ | As restated<br>Income<br>£ | Expenditure<br>£   | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2024<br>£ |
|------------------------------|--|----------------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Designated funds             | 5,507                                  | -                          | -                  | -                        | -                       | 5,507                                |
| General funds                | 3,117,756                              | 8,433,988                  | (8,548,430)        | 202,982                  | (11,091)                | 3,195,205                            |
| Endowment funds              | 102                                    | -                          | -                  | -                        | -                       | 102                                  |
| Restricted funds             | 74,963                                 | 129,071                    | (129,045)          | -                        | -                       | 74,989                               |
| Restricted fixed asset funds | -                                      | 202,982                    | -                  | (202,982)                | -                       | -                                    |
|                              | <u>3,198,328</u>                       | <u>8,766,041</u>           | <u>(8,677,475)</u> | <u>-</u>                 | <u>(11,091)</u>         | <u>3,275,803</u>                     |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**24. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|  | Unrestricted<br>funds<br>2025<br>£ | Restricted<br>funds<br>2025<br>£ | Endowment<br>funds<br>2025<br>£ | Total<br>funds<br>2025<br>£ |
|--|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets                  | 11,078,406                         | -                                | -                               | 11,078,406                  |
| Intangible fixed assets                | 29,817                             | -                                | -                               | 29,817                      |
| Debtors due after more than one year   | 49,430                             | -                                | -                               | 49,430                      |
| Current assets                         | 986,035                            | 74,627                           | 102                             | 1,060,764                   |
| Creditors due within one year          | (5,073,949)                        | -                                | -                               | (5,073,949)                 |
| Creditors due in more than one year    | (3,868,864)                        | -                                | -                               | (3,868,864)                 |
| Provisions for liabilities and charges | (632,955)                          | -                                | -                               | (632,955)                   |
| <b>Total</b>                           | <u>2,567,920</u>                   | <u>74,627</u>                    | <u>102</u>                      | <u>2,642,649</u>            |

**25. Reconciliation of net movement in funds to net cash flow from operating activities**

|  | 2025<br>£        | 2024<br>£        |
|--|------------------|------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | <u>(285,153)</u> | <u>88,566</u>    |
| <b>Adjustments for:</b>  |                  |                  |
| Depreciation/amortisation charges  | 407,014          | 443,721          |
| Interest received  | (39,371)         | (10,178)         |
| Interest paid  | 227,221          | 148,245          |
| (Increase)/ decrease in debtors  | 4,464,629        | 698,485          |
| Increase/ (decrease) in creditors  | (5,355,213)      | 987,959          |
| Increase/ (decrease) in provision  | 348,001          | (11,033)         |
| VAT recovered  | 201,265          | 1,969            |
| Defined benefit pension scheme remeasurement                                   | (348,001)        | (11,091)         |
| <b>Net cash generated by operating activities</b>                              | <u>(379,608)</u> | <u>2,336,643</u> |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**26. Analysis of cash and cash equivalents**

|  | 2025<br>£      | 2024<br>£        |
|--|----------------|------------------|
| Cash in hand                           | 631,712        | 2,513,528        |
| <b>Total cash and cash equivalents</b> | <b>631,712</b> | <b>2,513,528</b> |

**27. Analysis of changes in net debt**

|                          | At 1<br>September<br>2024<br>£ | Cash flows<br>£    | At 31<br>August 2025<br>£ |
|--------------------------|--------------------------------|--------------------|---------------------------|
| Cash at bank and in hand | 2,513,528                      | (1,881,816)        | 631,712                   |
| Debt due within 1 year   | (149,824)                      | (27,969)           | (177,793)                 |
| Debt due after 1 year    | (2,661,016)                    | (836,619)          | (3,497,635)               |
| Finance leases           | (1,560)                        | -                  | (1,560)                   |
|                          | <b>(298,872)</b>               | <b>(2,746,404)</b> | <b>(3,045,276)</b>        |

**28. Called up share capital**

There are 5,507 Ordinary shares of £1 each which have been allotted, called up and fully paid (2024 same).

Shares carry equal voting rights and each class of share also ranks equally in regard to distributions, including distributions arising from a winding up of the Company.

**29. Pension commitments**

The Company, together with many other independent schools, operates a contributory plan providing defined benefits based on final pensionable pay for its employees. The assets of the plans are held separately from those of the Company. They also operate three defined contribution schemes.

Contributions to three schemes during the year were based on the following percentages of salary:-

|                                     | Employer | Employee     | Total         |
|-------------------------------------|----------|--------------|---------------|
| Independent Schools' Pension Scheme | 8%       | 8%           | 16%           |
| Aviva Pension Scheme                | 16.4%    | 7.4% - 11.7% | 23.8% - 28.1% |
| People's Pension.                   | 3%       | 5%           | 8%            |

The defined benefit pension scheme is a multi-employer pension scheme. As a result of which it is neither possible nor appropriate to identify the assets and liabilities of the schemes which are attributable to the Company. Accordingly the Company has accounted for its contributions as if they were defined contribution schemes.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**29. Pension commitments (continued)**

**Independent Schools' Pension Scheme**

The Company participates in the scheme, which is a multi- employer scheme, and provides benefits to some 51 non-associated employers. 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 with an effective date of 30 September 2023. This actuarial valuation was certified on 11 December 2024 and showed assets of £99.2m, liabilities of £151.5m and a deficit of £52.3m. To eliminate this funding shortfall, the Governors and the participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows:

**Deficit Contributions**

From 1 September 2025 to 30 January 2034: £6,000,000 per annum  
(payable monthly and increasing by 3% on each  
1st September)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the Pension Scheme Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit Contributions**

From 1 September 2022 to 30 June 2032: £2,687,000 per annum  
(payable monthly and increasing by 3% on each  
1st September)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the 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.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

|  | 2025<br>£ | 2024<br>£ |
|--|-----------|-----------|
| <b>Income and Expenditure Impact</b>                     |           |           |
| Interest expense   | 12,429    | 13,690    |
| Remeasurements - amendments to the contribution schedule | 374,792   | (18,245)  |
|  | 387,221   | (4,555)   |

**Assumptions**

The discount rates shown below 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.

|                             | 31 August 2025 | 31 August 2024 | 31 August 2023 |
|-----------------------------|----------------|----------------|----------------|
| Discount rate (% per annum) | 4.79           | 4.68           | 5.79           |

**30. Operating lease commitments**

At 31 August 2025 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

|   | 2025<br>£ | 2024<br>£ |
|---|-----------|-----------|
| <b>Non-cancellable operating leases</b> |           |           |
| Within one year                         | 187,827   | 321,619   |
| Between one and five years              | 422,908   | 542,523   |
| In more than five years                 | 210,756   | 249,154   |
|   | 821,491   | 1,113,296 |

**31. Finance lease commitments**

Minimum lease payments under hire purchase fall due as follows:

|                            | 2025<br>£ | 2024<br>£ |
|----------------------------|-----------|-----------|
| Within one year            | 120       | 120       |
| Between one and five years | 480       | 480       |
| In more than five years    | 1,080     | 1,080     |
|                            | 1,680     | 1,680     |

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**32. Related party transactions**

During the year the Company leased a property, on an arm's length basis from Broadland Properties Limited, for £60,000 (2024: £60,000). Mr R Guthrie (a director of Scarborough College Limited), is a Director and person with significant control of Broadland Properties Limited.

Three Governors had children enrolled in the Company during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £58,784 (2024: £70,160).

An element of Bramcote Sports Centre has been leased to Bramcote Athletics on a long lease, with approval by the Charities Commission. Related costs during the year include a recharge of staff costs from Bramcote Athletic Ltd to the College of £17,127 (2024: £24,209) and the College recharged total costs of £35,857 (2024: £31,550) to Bramcote Athletic Ltd.

The athletics track at the Company's Bramcote site is held as an asset of the company. This asset is leased long term to Bramcote Athletic Ltd of which Richard Guthrie, a Governor of Scarborough College, is a Director of this company.

**SCARBOROUGH COLLEGE**

England & Wales - Charity number 529686

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# Accounts

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Registered number: 00050404  
Charity number: 529686

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**CONTENTS**

|  | Page    |
|--|---------|
| <b>Reference and administrative details of the Company, its Governors and advisers</b> | 1       |
| <b>Governors' report</b>   | 2 - 13  |
| <b>Governors' responsibilities statement</b>   | 14      |
| <b>Independent auditors' report on the financial statements</b>                        | 15 - 18 |
| <b>Statement of financial activities</b>   | 19      |
| <b>Balance sheet</b>   | 20 - 21 |
| <b>Statement of cash flows</b>   | 22      |
| <b>Notes to the financial statements</b>   | 23 - 49 |

**SCARBOROUGH COLLEGE LIMITED**

**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2024**

|                                  |   |
|----------------------------------|---|
| <b>Governors</b>                 | Mr G W Robinson, Chairman<br>Mr A S Green, Vice Chairman<br>Mrs V J Gillingham<br>Mr R Guthrie<br>Mr J R Marshall<br>Mr S N Fairbank<br>Mr J S Rowlands<br>Mr J F W Swiers<br>Mr G N M Young<br>Dr J Renshaw<br>Mr A W Ingham<br>Mrs W E Martin<br>Mr C A Burns (appointed 23 March 2024) |
| <b>Company registered number</b> | 00050404  |
| <b>Charity registered number</b> | 529686  |
| <b>Registered office</b>         | Scarborough College<br>Filey Road<br>Scarborough<br>North Yorkshire<br>YO11 3BA   |
| <b>Independent auditors</b>      | Armstrong Watson Audit Limited<br>Chartered Accountants & Statutory Auditors<br>Third Floor<br>10 South Parade<br>Leeds<br>West Yorkshire<br>LS1 5QS  |
| <b>Bankers</b>                   | Lloyds<br>Scarborough<br>North Yorkshire<br>YO11 2YY  |
| <b>Solicitors</b>                | Lupton Fawcett<br>2 The Embankment<br>Sovereign Street<br>Leeds<br>LS1 4BA  |

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

The Governors, (who are also the Trustees and Directors of the Company for the purposes of company law, and so will be referred to through out the report as "the Governors") present their annual report together with the audited financial statements of the Company for the 1 September 2023 to 31 August 2024. The Annual report serves the purposes of both a Governors' report and a Directors' report under company law. The Governors confirm that the Annual report and Financial Statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Objectives and activities**

**a. Objectives and Activities**

The objects of the Company, in accordance with its Articles and Memorandum of Association, are to establish and conduct in Scarborough, and elsewhere, a Day and Boarding School or Schools for Boys and Girls (aged 3 to 18 years) in which there shall be given a sound education, combined with a moral and religious input.

**b. Aims and Intended Impact**

The Company's vision is to be a recognised leader in British independent education.

**c. Mission Statement**

The Company's commitment is to discover and fully realise every child's potential by ensuring that all pupils are seen as individuals whose specific needs are recognised and met. We are dedicated to providing a far-reaching education that goes beyond the boundaries of the classroom, underpinned by strong lifelong values, which inspires academic excellence and ensures pupils are challenged. Regular opportunities to understand their own capabilities through exposure to a broad range of sporting, cultural and creative activities, widens our pupils' horizons and builds their self-confidence. Within our outward facing, grounded and caring community the relationships that exist nurture tolerant, honest and compassionate people who will make a genuine difference in their futures beyond the confines of our school.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**Objectives and activities (continued)**

**d. Aims of the Company**

The Company seeks:

- To encourage and enable pupils to achieve their academic potential and to foster a climate in which high quality teaching and learning are the utmost priorities.
- To respond to, support, and bring about the aspirations of pupils and their parents, whilst being attentive to their views.
- To consistently provide a high degree of personal care, support and guidance within, and outside of, the formal pastoral structure.
- To promote the acquisition and development of life-long values and 'character'.
- To cultivate and develop in pupils a sense of spirituality, cultural awareness and a moral framework through which they can live a fulfilling and happy life.
- To provide an environment in which pupils feel valued and learn to work co-operatively within a safe and nurturing community.
- To provide regular opportunities for all pupils to engage with a varied co-curricular programme so that they may explore their talents and discover life-long passions.
- To be a caring, supportive and appreciative employer, recognising the work and commitment of all staff whilst facilitating a climate of continual professional development.
- To consistently look for improvements in everything we do, thereby ensuring that the experience all our stakeholders undergo becomes ever more positive and rewarding.

The main objectives remain unchanged and are to achieve excellent public examination results, to continue with the successful work related to the International Baccalaureate programme, to enhance the boarding provision, and to strengthen even further the Company's links with the community.

The Company's strategy is to continue to develop the school's facilities, both physical and intellectual, for providing an excellent education for its students. The enhancement of the school facilities will be driven through property development activity.

**e. Principal Activity**

The principal activity continues to be the provision in Scarborough of Independent Education for both boarding and day children between the ages of 3 to 18 years old. The Prep School takes boys and girls from 3 —11 years of age and also operates a pre-school nursery (Little Owls). The Senior School provides for students aged 11 to 18 years. For this academic year the student population was 575, not including younger children attending the nursery.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**Objectives and activities (continued)**

**f. Volunteers**

The Friends of Scarborough College, and the Old Scardeburgians Association (OSA) both continue to support the College in many ways. Both groups fund raise to support projects in the College including enhancement of the facilities. The OSA also holds regular functions to bring present and past pupils together both through sport and socially. Furthermore, the OSA sponsor scholarships as part of the scholarship and bursary scheme operated by the College. The Board continues to be extremely grateful for all their efforts, and the enthusiastic support of both groups creates a strong bond between the College and parents, helping to strengthen community spirit.

**g. Public Benefit**

The Company remains aware of its responsibility to achieve public benefit by working closely with the local community, whilst also developing links with other schools, charities and other local organisations. The Company has complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission.

The Company continues to take a leading role in a number of areas of support to the local community and, in particular, to sports in the Scarborough area. This can be highlighted by a few examples including its partnership with a number of local primary schools to help deliver sports lessons to their children across all year groups. Further to the council's permission to allow third-party users, the Company will continue to offer the all-weather astro pitch to Scarborough Hockey Club as well as other local clubs for a nominal fee.

During the summer period and other periods outside of term time, the Company actively reaches out to schools, sports clubs and other organisations. Yorkshire County Cricket club and subsidiaries such as the Yorkshire Cricket Development Group make use of both the indoor and outdoor facilities. Various schools can use, and do use, the sporting facilities on Bramcote, Deepdale and the Main College field.

In addition, schools can make use of the performing arts facilities at Lisvane Hall as well as classrooms in the Science block, the visual arts department and other areas of the school. Depending on the nature of the provider, usage is either free of charge or for a nominal fee.

The Company organises a number of events for local primary schools, including, though not limited to, Tykes in Tune performing arts day, CSI Science Day and sports days. Furthermore, the Company offers its minibuses to support schools with transportation of their pupils.

**h. Community Service**

Throughout the College and across all age groups, there is a strong sense of community spirit and service. Outside of school life, numerous students are actively involved in community service and, in addition, many overseas students have been active in or even founded community projects in their own countries and communities. Their enthusiasm and altruistic entrepreneurial spirit inspires and supports other pupils. Examples of charities supported by the staff and pupils are MacMillan, Mellow Yellow, Young Minds, the Ukrainian Sunflower Appeal and the local charities such as the Rainbow Centre and Age UK Scarborough. Together with pupils, the Friends of Scarborough College and the Scarborough College Charities Committee; the Company maintains strong ties with several charities in the community as well as nationwide.

Within the Senior School, students are engaged in community service as part of their Duke of Edinburgh programme of which almost all the eligible students of the Senior School take part in at some point. It is an essential part of the International Baccalaureate Diploma Programme during Sixth Form, where the Creativity, Action and Service (CAS) component of the Diploma Programme encourages students to engage with the world around them.

Charitable donations from fund raising activities amount to £5,640 (2023: £6,498) in the year.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**Objectives and activities (continued)**

**i. Bursaries and Scholarship awards**

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. Learning occurs through social interaction, conversation and shared experiences which help our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy together with our out-reach work contribute to a widening of access to the education we offer and the facilities we enjoy.

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by Scarborough College. Our bursary awards are available to all who meet our general entry requirements and are made solely based on parental means or to relieve hardship where a pupil's education and prospects would otherwise be at risk, for example, in the case of redundancy. In assessing means the College takes several factors into consideration including family income, investments and savings, and family circumstances, for example, dependent relatives and the number of siblings.

Those wishing to be considered for bursary support are required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees is assessed according to the guardians' ability to pay full fees and the availability of bursary funds to the College. Bursary awards are subject to the annual testing of the guardians' means.

This year the value of means tested bursaries totalled £744,124 (2023: £659,623) and represented 6.71% of our gross fees. They aided 132 pupils, representing 22.64% of the school roll.

**j. Non means-tested fee remissions**

The purpose of our scholarship awards is to recognise high academic, musical, and sporting potential or ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the aforementioned abilities which will contribute to our co-curricular activities; awards may be subject to conditions. Scholarships are awarded with a fixed remission of fees of between 10% and 100%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. The value of Scholarships in the school year totalled £899,203 (2023: £656,498) awarded to 159 pupils.

Other forms of non-means-tested assistance were also awarded during the academic year, including sibling and staff discounts. In total these awards were made to 244 pupils and amounted to £1,230,726 (2023: £868,936).

The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with abilities. No scholarships were withdrawn in the year as a result of reviews.

**HMC Projects**

In the early 1990s, as communism collapsed in eastern Europe, the Headmasters', and Headmistresses' Conference (HMC) supported a sixth form scholarship scheme to provide educational opportunities for young people in countries that had been behind the Iron Curtain. HMC Projects, as it was called, aimed to identify talented 16 and 17 year olds and give them the opportunity to study and live at a British boarding school. The aim of the scholarship programme is to foster bonds of understanding and friendship between young people across Europe and to give young people from the former communist countries in Central and Eastern Europe an enriching and rewarding experience in some of the best schools in the world. In 2019 Scarborough College first offered a place to a scholar. By 2024 the College had 3 scholars. The value of such Scholarships in the school year totalled £113,967.

## **SCARBOROUGH COLLEGE LIMITED**

**(A company limited by guarantee)**

### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024**

#### **Objectives and activities (continued)**

##### **Royal SpringBoard**

Royal SpringBoard is the UK's largest bursary charity, helping disadvantaged and vulnerable children from across the UK to access fully funded bursaries at leading schools. It is a social mobility charity focusing on harnessing the power of educational opportunities at some of the UK's leading schools to benefit young people who need them the most. In 2023 Scarborough College supported 1 pupil from across the UK by giving them access to a life-changing education. The value of such Scholarships in the school year totalled £28,484.

##### **British Alumni Scholarship**

The British Alumni Society (BAS) was established in 1999 under the auspices of the British Council and the British Embassy in Warsaw. The BAS provides a forum for graduates of scholarship schemes offered by those two institutions (Chevening Scholarships, British Council Scholarships, Know How project, etc). Today BAS has over 550 members: both Poles and British nationals residing in Poland, who have studied at university level or participated in other educational schemes in the United Kingdom.

BAS organizes seminars, debates, discussion clubs and mentoring programmes in collaboration with the British Council, the British Embassy, the British Polish Chamber of Commerce and European Financial Congress. Their flagship project is a scholarship scheme for secondary school students who may apply for free places in UK independent boarding schools.

In 2023 Scarborough College signed a contract with BAS for one student per annum, interviewed by both BAS scholars as well as Scarborough College, to be the recipient of a fully funded IB Diploma Programme place of two years. The value of such Scholarships in the school year totalled £37,989.

#### **k. Our ethos; a caring Company serving our local community and society.**

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education the College provides.

Scarborough College is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the College, and at a level that is consistent with our aim of providing a first-class education to boys and girls from all backgrounds of the local community and beyond. To admit a prospective pupil, we need to be satisfied that the College will be able to educate and develop him/her to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments and interviews are undertaken to satisfy the College and parents that potential pupils can cope with the pace of learning and benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion, or disability do not form part of the assessment process.

The College is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation, or disability. The College makes reasonable adjustments to meet the needs of staff or pupils who are or become disabled, The College is committed to safeguarding and promoting the welfare of the pupils and expects all staff and volunteers to share this commitment.

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The College maintains regular contact with parents throughout the year through informal contacts and the fortnightly news publications (The Owl). All pupils have a Form Tutor responsible for pastoral care and academic development.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**Strategic report**

**Achievements and performance**

**a. Our successes**

As a non-selective school, Scarborough College is proud to remain true to its founding mission and provide deserving children with a world class, holistic education. Students in the Sixth Form study the renowned and globally recognised International Baccalaureate Diploma Programme (IBDP). Through its Learner Profile, IB World Schools such as Scarborough College embrace and foster academic excellence in a learning environment that is culturally diverse, caring, forward facing and robust.

Public examination in both the GCSEs and IBDP continued to be extremely positive and far above the world average (IBDP). Sixth Form students were successful at gaining places at several top universities in both the United Kingdom and the rest of the world, while some earned highly sought-after scholarships at some of these universities. The IBDP exam cohort was 40 students, who achieved an average of 33.1 points, which was almost three full points above the world average. GCSE results were once again outstanding with well over one third of students achieving grades 9-7 (A\* and A). 83 students did GCSE exams and the overall pass rate was almost 90%.

Furthermore along with its mission, Scarborough College continues to provide a diverse, challenging and inspiring co-curricular programme. These include activities of a sporting nature, performing and visual arts, outdoor exploits as well as activities that promote a healthy and sustainable lifestyle and well-being. This mission is highlighted in the College's Yorkshire Grit programme, its Enrichment Programme and the extremely high numbers of children registering for the Duke of Edinburgh programme.

As a direct result of this dedicated approach, both performing arts and sports continue to thrive at the school. Gig on the Green has become an annual event and an extra production has been added to the school calendar, providing more depth and opportunities for children interested in the performing arts. A record number of children are enrolled into private music lessons and the College's LAMDA programme.

Further investment in sports has seen Scarborough College compete at an extremely high level in cricket, hockey, golf and rugby. After having reached the Tier 2 final twice in a row, the Girls' U18s were entered into Tier 1 in 2023. Scarborough College proudly holds first spot in Tier 1 division north currently. Lower down the school, there have been several hockey successes including the U16s Boys and Girls. The Cricket Centre of Excellence has seen its first alumni get selected for England U19s as well as a host of boys and girls on county pathways and county second teams. Scarborough College First XI has outgrown its local rivals and lower down the school, there were several huge successes including the National Championship win for the U16 Boys. Rugby is continuing to be developed and significant local scalps for both for the First XV and lower age groups are extremely positive. The completion of the running track continues to attract interest both locally and from further afield; a strategy to recruit athletic talent has been deployed as well as a fixture calendar for the summer term.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Financial Review and Results**

The Company continues to grow in size both in terms of pupil numbers, with a 8.4% increase in the numbers and a £1,050,734 growth in net fees. It does, however, maintain committed to providing support to families struggling with the effects of the current economic climate. The principal source of income is fees accounting for 92% of the Company's total income.

The Company has seen a rise in expenditure of 11.62% which is driven in part by the rise in pupil numbers and as a result of cost-of-living crisis and inflationary pressure on prices. The Governing Body maintains focussed on controlling the levels of expenditure.

The Company produced a surplus in 2023 - 2024 of £77,475. This does include a loss of £11,091 relating to the fair value adjustment on the defined benefit scheme. It is planned that the Company will next year be once again in surplus and hoped that this position can be maintained for future years.

The Governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of the Company.

As a charity the parents of the pupils have the assurance that all income of the Company must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains, provided these are applied for our charitable aims. As a Company we are also entitled to an 80% reduction in our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for the educational purposes and indirectly help us to maintain our bursary policy and out-reach programme.

However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits the Company brings to our pupils, the local community and society through the education we offer, our bursary programme and our out-reach work create a social asset without a cost to the Government.

**c. Development and Maintenance**

Other significant maintenance works have been undertaken during the year as part of the Colleges prioritised maintenance plan to ensure the College's buildings continue to function fully as intended.

The College has some exciting projects due to start shortly after the financial year, new 4 lane cricket nets, a new multi-use games area and the development of a new boarding house. The College is also in discussions with the local Council to purchase and redevelop the Old Sports Centre.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**Strategic report (continued)**

**Achievements and performance (continued)**

**d. Key Performance Indicators**

|   | 2024  | 2023  | 2022  | 2021  | 2020  |
|---|-------|-------|-------|-------|-------|
| IB exam pass rate   | 89%   | 87%   | 88%   | 100%  | 81%   |
| GCSE pass rate (9-4)  | 87.8% | 92%   | 95.6% | 96%   | 89%   |
| Net fee income (£'000)  | 8,077 | 6,790 | 6,275 | 5,431 | 4,709 |
| Non fee income (£'000)  | 687   | 502   | 1,086 | 258   | 621   |
| Net incoming (outgoing) resources before fair value adjustments (£'000) | 89    | (207) | 325   | (655) | (23)  |
| Capital expenditure (£'000)   | 798   | 881   | 996   | 173   | 416   |

**e. Reserves Policy**

The Governors regularly review the finances, budgets and spend against budget together with a cash flow analysis as part of the effective stewardship of the Company.

In common with other independent schools, the Governors have invested substantial sums into the Company buildings and have a continuing programme of refurbishment and development to maintain the excellent teaching facilities for our pupils.

The Company's unrestricted funds stood at £3,200,712 at the year end, and these were wholly deployed in funding the Company's Capital Expenditure on the premises and equipment. The Company's restricted funds stood at £74,989 at the year end.

The policy of the Governors of Scarborough College Limited is to aim to retain reserves of £2.2 million or more. This is equivalent to approximately three months' expenditure, by means of annual operating surpluses, subject to the prior demands of further capital and revenue expenditure needed to maintain the high standard of the educational facilities provided at the Company. The Governors also aim that at the end of each academic year, an amount equal to 10% of the cash surplus generated in that year, as reported in the cashflow statement, shall be transferred into a dedicated reserve account. The aim of this reserve is to provide a contingency fund for any future major, unforeseen event and also to provide funding for future developments.

**f. Market Value of Land and Buildings**

In the opinion of the Governors of the Company, the current market value of the Company's land and buildings was not less than the amount £7,230,675 shown in the balance sheet.

**Going Concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**Structure, governance and management**

**a. Governing Document**

The Company is governed by its Memorandum and Articles of Association first issued on 4 December 1896, and filed at Companies House most recently on 29 September 2018.

**b. Governing Body**

The Directors, who are also the Charity Trustees, are responsible for the overall management and control of the College and meet four times a year at various sub committees, and four times a year as the full board. The work of implementing their policies is carried out through several governors' sub committees, The sub committees include a Finance and Management Committee, Education and Welfare Committee, and a Marketing Committee. The Board is a self-appointing body, and directors are elected at a full directors' meeting of the Company. The College Business Manager is responsible for co-ordinating the work of the Governors and their Committees, preparation of papers and management accounts, and the review of matters arising.

**c. Governor Recruitment and Training**

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new governors, the important attribute is a passion for the work of the College and an understanding of education as a holistic and rounded experience of personal growth. Where possible the governors consider that the skills and experience of the Board should comprise of the following:

- A governor with a legal background.
- A governor with a financial/accounting background.
- A governor with education experience and background.
- A governor with senior managerial or business experience.
- A governor with HR/employment law experience.
- A governor with property/surveying experience.

On appointment, new Governors are inducted into the workings of the Board and their responsibilities as directors, charity trustees and school governors. The Charity has no formal Governor training procedures in place. However, Governors are encouraged to attend training courses and seminars run by AGBIS (The Association of Governing Bodies of Independent Schools). Additionally, governors are encouraged to take a full part in the activities of the College including attendance at concerts and sports events, plus time in the classroom observing lessons.

**d. Other Relationships**

The Headmaster is a member of the Society of Heads and HMC, attending the society's conferences which are an opportunity to share expertise, knowledge and experience across the independent school sector. The conferences also permit appropriate representation to Government and regulators of the views of the sector. The College is also a member of IAPS and BSA, whilst also holding IB World School status.

The Business Manager is a Board member and Vice Chair of the Independent Schools Bursars Association.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**Structure, governance and management (continued)**

**e. Organisational Management**

The Governors and Trustees meet as a Board at least four times a year (October, December, March and June) to determine the general policy of the Company and review the overall management and control, for which they are legally responsible. The work of implementing most of their policies is carried out by the Senior Management Team. The Finance and Management Committee, chaired by Mr G Young, which meets regularly prior to each meeting of the full Governing Board, and on other occasions when necessary to regulate the administration of the College. The other principal committee is the Education and Welfare Committee, which as its title indicates, focuses on matters relating to education/curriculum and welfare.

The Governors determine the general policy of the College but the day to day running of the College is delegated to the Headmaster, supported by the Senior Management Team. The Headmaster undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of both the Prep and Senior schools is undertaken within the policies and procedures approved by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval. The approval process is detailed within the Financial Regulations of the College.

The Headmaster oversees the recruitment of all educational staff, whilst, under delegated authority, the Business Manager oversees the recruitment of administrative and non-teaching support staff. The Headmaster, Head of the Prep School and Business Manager attend Governors' meetings.

**f. Related party relationships**

None of the Governors received remuneration or other benefits from their work with the College. Any contractual relationships must be disclosed, and notes of interest are retained in written form.

One of the governors, Mr R Guthrie, is a Director and person with significant control of Broadland Properties Limited. During the year a sum of £60,000 (2023: £60,000) was paid to Broadland Properties for property rental on an arm's length basis.

Three Governors had children enrolled in the College during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £58,784 (2023: £80,100). This does not affect their capability to make independent and fair decisions but, if there is a specific situation where there may be conflicted interests, Governors will remove themselves from meetings.

An element of Bramcote Sports Centre has been leased to Bramcote Athletics on a long lease, with approval by the Charities Commission. Related costs during the year include a recharge of staff costs from Bramcote Athletic Limited to the College of £24,209 and the College recharged total costs of £31,550 to Bramcote Athletic Limited.

**g. Key Management Personnel**

The Governors consider that they, together with the Headmaster, the Business Manager and the Prep School Headmaster comprise the key management personnel (see note 14 to the accounts). The Governors give up their time freely and the pay and the remuneration of the Headmaster and senior staff is set by the Board and is kept under annual review.

## **SCARBOROUGH COLLEGE LIMITED**

**(A company limited by guarantee)**

### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024**

#### **Structure, governance and management (continued)**

##### **h. Pay policy for senior staff**

The Company operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools. This allows the Company to remain an attractive employer in the independent school sector.

The bands are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the Company and increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

##### **i. Risk management**

The Governors and the Board of Scarborough College, with assistance from the College Finance and Management Committee, have examined the principal areas of the College's operations and have considered the major areas of strategic, operational, and business risk which the College faces. The Directors actively review the major risks that may arise on a regular basis, as well as the systems and procedures established to manage them, ensuring that those risks already identified can be mitigated. All the identified risks are contained within the College Risk Management Summary.

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**Disclosure of information to auditors**

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Governors and signed on their behalf by:



[Guy Robinson \(Dec 9, 2024 20:03 GMT\)](#)

.....  
**Mr G Robinson**  
Governor

Date: **09/12/2024**

**SCARBOROUGH COLLEGE LIMITED**

**(A company limited by guarantee)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2024**

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Governors and signed on its behalf by:



[Guy Robinson \(Dec 9, 2024 20:03 GMT\)](#)

**Mr G Robinson**

Governor

Date: **09/12/2024**

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**

**Opinion**

We have audited the financial statements of Scarborough College Limited (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 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 requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

## **SCARBOROUGH COLLEGE LIMITED**

**(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED (CONTINUED)**

#### **Other information**

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of governors**

As explained more fully in the Governors' responsibilities statement, the Governors 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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
**(CONTINUED)**

**Auditors' responsibilities for the audit of the financial statements**

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with governors, and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non compliance throughout the audit.

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

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

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

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

**SCARBOROUGH COLLEGE LIMITED**

**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED  
(CONTINUED)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Huw Nicholls (Senior statutory auditor)**

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants & Statutory Auditors  
Leeds

Date: **09/12/2024**

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2024**

|   | Note | Unrestricted<br>funds<br>2024<br>£ | Restricted<br>funds<br>2024<br>£ | Endowment<br>funds<br>2024<br>£ | Total<br>funds<br>2024<br>£ | Total<br>funds<br>2023<br>£ |
|---|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| <b>Income and endowments from:</b>                                  |      |                                    |                                  |                                 |                             |                             |
| Donations and legacies  | 4    | 130,815                            | 202,982                          | -                               | 333,797                     | 93,608                      |
| Charitable activities   | 5    | 7,948,275                          | 129,071                          | -                               | 8,077,346                   | 7,026,612                   |
| Other trading activities  | 6    | 341,370                            | -                                | -                               | 341,370                     | 415,706                     |
| Investments   | 7    | 10,178                             | -                                | -                               | 10,178                      | 82                          |
| Other income  | 8    | 3,350                              | -                                | -                               | 3,350                       | -                           |
| <b>Total income and endowments</b>                                  |      | <b>8,433,988</b>                   | <b>332,053</b>                   | <b>-</b>                        | <b>8,766,041</b>            | <b>7,536,008</b>            |
| <b>Expenditure on:</b>  |      |                                    |                                  |                                 |                             |                             |
| Raising funds   | 9    | 565,215                            | -                                | -                               | 565,215                     | 422,680                     |
| Charitable activities   | 10   | 7,983,215                          | 129,045                          | -                               | 8,112,260                   | 7,239,039                   |
| Other expenditure   | 11   | -                                  | -                                | -                               | -                           | 81,713                      |
| <b>Total expenditure</b>  |      | <b>8,548,430</b>                   | <b>129,045</b>                   | <b>-</b>                        | <b>8,677,475</b>            | <b>7,743,432</b>            |
| <b>Net (expenditure)/income</b>                                     |      | <b>(114,442)</b>                   | <b>203,008</b>                   | <b>-</b>                        | <b>88,566</b>               | <b>(207,424)</b>            |
| Transfer/revaluation  | 22   | 202,982                            | (202,982)                        | -                               | -                           | 662,849                     |
| <b>Net movement in funds before other recognised gains/(losses)</b> |      | <b>88,540</b>                      | <b>26</b>                        | <b>-</b>                        | <b>88,566</b>               | <b>455,425</b>              |
| <b>Other recognised gains/(losses):</b>                             |      |                                    |                                  |                                 |                             |                             |
| Actuarial gains on defined benefit pension schemes                  | 29   | (11,091)                           | -                                | -                               | (11,091)                    | 18,245                      |
| <b>Net movement in funds</b>  |      | <b>77,449</b>                      | <b>26</b>                        | <b>-</b>                        | <b>77,475</b>               | <b>473,670</b>              |
| <b>Reconciliation of funds:</b>                                     |      |                                    |                                  |                                 |                             |                             |
| Total funds brought forward   |      | 3,123,263                          | 74,963                           | 102                             | 3,198,328                   | 2,724,658                   |
| Net movement in funds   |      | 77,449                             | 26                               | -                               | 77,475                      | 473,670                     |
| <b>Total funds carried forward</b>                                  |      | <b>3,200,712</b>                   | <b>74,989</b>                    | <b>102</b>                      | <b>3,275,803</b>            | <b>3,198,328</b>            |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 49 form part of these financial statements.

**SCARBOROUGH COLLEGE LIMITED****(A company limited by guarantee)****REGISTERED NUMBER: 00050404****BALANCE SHEET  
AS AT 31 AUGUST 2024**

|   | <b>Note</b> | <b>2024<br/>£</b>  | <b>2023<br/>£</b> |
|---|-------------|--------------------|-------------------|
| <b>Fixed assets</b>                                     |             |                    |                   |
| Intangible assets                                       | 16          | <b>10,242</b>      | 21,274            |
| Tangible assets   | 17          | <b>9,527,312</b>   | 9,163,712         |
|   |             | <b>9,537,554</b>   | 9,184,986         |
| <b>Current assets</b>                                   |             |                    |                   |
| Debtors   | 18          | <b>4,943,112</b>   | 5,641,596         |
| Cash at bank and in hand                                |             | <b>2,513,528</b>   | 885,677           |
|   |             | <b>7,456,640</b>   | 6,527,273         |
| Creditors: amounts falling due within one year          | 19          | <b>(9,854,786)</b> | (9,709,401)       |
| <b>Net current liabilities</b>                          |             | <b>(2,398,146)</b> | (3,182,128)       |
| <b>Total assets less current liabilities</b>            |             | <b>7,139,408</b>   | 6,002,858         |
| Creditors: amounts falling due after more than one year | 20          | <b>(3,578,651)</b> | (2,508,543)       |
| Provisions for liabilities                              | 21          | <b>(284,954)</b>   | (295,987)         |
| <b>Total net assets</b>                                 |             | <b>3,275,803</b>   | 3,198,328         |

**SCARBOROUGH COLLEGE LIMITED**

(A company limited by guarantee)

REGISTERED NUMBER: 00050404

**BALANCE SHEET (CONTINUED)**

**AS AT 31 AUGUST 2024**

|                          | Note | 2024<br>£        | 2023<br>£        |
|--------------------------|------|------------------|------------------|
| <b>Charity funds</b>     |      |                  |                  |
| Endowment funds          | 22   | <b>102</b>       | 102              |
| Restricted funds:        |      |                  |                  |
| Peggy Bailey Legacy      | 22   | <b>73,470</b>    | 73,470           |
| Early Years              | 22   | <b>419</b>       | 393              |
| Cricket Pavilion Fund    | 22   | <b>1,100</b>     | 1,100            |
| Total restricted funds   | 22   | <b>74,989</b>    | 74,963           |
| Unrestricted funds       |      |                  |                  |
| Called up share capital  | 22   | <b>5,507</b>     | 5,507            |
| General funds            | 22   | <b>2,517,116</b> | 2,439,667        |
| Revaluation reserve      | 22   | <b>678,089</b>   | 678,089          |
| Total unrestricted funds | 22   | <b>3,200,712</b> | 3,123,263        |
| <b>Total funds</b>       |      | <b>3,275,803</b> | <b>3,198,328</b> |

The Governors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



Guy Robinson (Dec 9, 2024 20:03 GMT)

.....  
**Mr G Robinson**

Governor

Date: **09/12/2024**

The notes on pages 23 to 49 form part of these financial statements.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

|  | Note | 2024<br>£        | 2023<br>£        |
|--|------|------------------|------------------|
| <b>Cash flows from operating activities</b>                |      |                  |                  |
| Net cash generated in operating activities                 | 25   | <b>2,336,643</b> | 611,130          |
| <b>Cash flows from investing activities</b>                |      |                  |                  |
| Interest received  |      | <b>10,178</b>    | 82               |
| Purchase of intangible assets                              |      | -                | (3,495)          |
| Purchase of tangible fixed assets                          |      | <b>(798,259)</b> | (792,730)        |
| <b>Net cash used in investing activities</b>               |      | <b>(788,081)</b> | <b>(796,143)</b> |
| <b>Cash flows from financing activities</b>                |      |                  |                  |
| Loan repayments  |      | <b>(89,216)</b>  | (75,123)         |
| Capital repayments   |      | <b>(120)</b>     | (120)            |
| Interest paid  |      | <b>(148,245)</b> | (137,020)        |
| New loans  |      | <b>316,870</b>   | -                |
| <b>Net cash provided by/(used in) financing activities</b> |      | <b>79,289</b>    | <b>(212,263)</b> |
| <b>Change in cash and cash equivalents in the year</b>     |      | <b>1,627,851</b> | <b>(397,276)</b> |
| Cash and cash equivalents at the beginning of the year     |      | <b>885,677</b>   | 1,282,953        |
| <b>Cash and cash equivalents at the end of the year</b>    | 26   | <b>2,513,528</b> | 885,677          |

The notes on pages 23 to 49 form part of these financial statements

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**1. General information**

Scarborough College Limited ("the Company") is a private limited company incorporated in England. The address of the Company's registered office and principal place of business is Scarborough College, Filey Road, Scarborough, North Yorkshire, YO11 3BA.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The Governors are satisfied that the going concern basis is appropriate for the preparation of the financial statements due to the net asset position of the Charity and the availability of sufficient cash reserves to meet liabilities as they fall due. The Governors are confident that reserves will remain sufficient to meet the Charity's needs into the 2024-25 financial year.

In reaching their conclusion, the Governors have considered cash flows covering a period of 12 months from the date of sign off, including any funding to support the organisation. They have also considered future strategic and operational objectives for the ensuing 12 months and have considered and applied sensitivity analysis on the forecasts as appropriate.

As a consequence, the Governors believe that the charity is well placed to manage its financial risks successfully despite the current challenging and unpredictable economic outlook. The Governors have a reasonable expectation that the charity has adequate reserves to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of signing of these financial statements. Accordingly, the Governors continue to adopt the going concern basis in preparing the accounts.

## SCARBOROUGH COLLEGE LIMITED

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

#### 2. Accounting policies (continued)

##### 2.3 Income

Fees receivable, and charges for services and use of the premises, are accounted for in the academic year in which the service is provided. Fees receivable are after deduction of bursaries and allowances. Where fees are received in advance they are deferred until the criteria for income recognition are met. Donations and other income are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

##### Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

##### Legacies

Entitlement is when income is probable and measurable. A legacy receipt is normally probable when there has been a grant of probate, executors have established that there are sufficient assets, and any conditions attached to the legacy are in control of or met by the charity. A legacy is measurable when it can be measured or estimated with sufficient reliability.

##### Grants receivable

Grant income is recognised once both the income recognition criteria and terms and conditions attached to the grant are met. Grants receivable as compensation for expenses or losses already incurred, or for the purpose of receiving immediate financial support are recognised in other operating income in the period in which they become receivable.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

##### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure accounted for on an accruals basis is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs that contribute to more than one activity and support costs that are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities that further the Company's objectives, as well as any associated support costs.

## SCARBOROUGH COLLEGE LIMITED

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

#### 2. Accounting policies (continued)

##### 2.4 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

##### Allocation of Support Costs

Support costs are those functions that assist the work of the Company but do not directly undertake charitable activity. Support costs include the costs of office salaries and governance costs which support the Company in the provision of education. The bases on which support costs have been allocated are set out in note 12.

##### 2.5 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Statement of Financial Activities.

##### 2.6 Intangible assets and amortisation

Intangible assets comprise of a marketing film and website development costs, both of which are being amortised over their useful estimated lives of five years. Website development costs are capitalised on the basis that they meet the recognition criteria of an asset, namely that future economic benefits will flow to the entity.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life within expenditure on charitable activities heading within the Statement of Financial Activities.

The estimated useful lives are as follows:

|                           |   |         |
|---------------------------|---|---------|
| Marketing film            | - | 5 years |
| Website Development Costs | - | 5 years |

##### 2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**2. Accounting policies (continued)**

**2.7 Tangible fixed assets and depreciation (continued)**

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

|                               |   |  |
|-------------------------------|---|--|
| Freehold property             | - | Valuation model                        |
| Short-term leasehold property | - | Over the term of the lease             |
| Fixtures and fittings         | - | 2%, 5%, 10%, 20% and 33% straight line |
| Equipment                     | - | 5% straight line                       |

Each financial year the Governors review the treatment of each class of asset during that year.

The valuation model is used to determine the appropriate net book value of freehold property in the accounts, with the Governors determining if there are any factors that indicate a requirement for impairment each year.

There is no specific capitalisation threshold for tangible fixed assets. Impairment reviews are undertaken annually for freehold land and buildings and for other assets when there is indication an asset may be impaired.

**2.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.10 Liabilities**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**2.11 Financial instruments**

The Company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**2. Accounting policies (continued)**

**2.12 Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.13 Pensions**

The Company participates and where necessary contributes into the Independent Schools' Pension defined benefit schemes at rates set by the schemes' actuaries. The scheme is a multi-employer pension scheme, as a result of which it is neither possible nor appropriate to identify the assets and liabilities of the scheme which are attributable to the Company. Contributions are charged in the financial statements in the period when they fall due. When 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 Company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2020.

**2.14 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Endowment funds are a prize giving fund, and represents monies held for the endowment of a prize.

## SCARBOROUGH COLLEGE LIMITED

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

#### 3. Critical accounting estimates and areas of judgment

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a heightened risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### **Bad Debt Provision**

The Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 18 for the net carrying amount of the debtors and associated impairment provision if applicable.

#### **Provision against liabilities**

Provisions are recognised when there is a present obligation as a result of a past event, where transfer of economic benefits is probable to settle the obligation and this can be reliably measured. The entity makes use of available relevant legal expertise to establish whether quantum can be reliably measured in such cases. Based on this information, the Company makes a provision based on the best estimate of the amount potentially required to settle the obligation including costs, taking into account the time value of money where material.

The Governors do not consider that any other judgements, estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Pension Liability**

The Company has an obligation to pay benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends. See note 29 for the disclosures relating to the pension scheme.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**4. Income from donations and legacies**

|           | <b>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
|-----------|--|--|---------------------------------------|
| Donations | 130,815                                      | 202,982  | <b>333,797</b>                        |
|           | <u>          </u>                            | <u>          </u>  | <u>          </u>                     |
|           | <b>Unrestricted<br/>funds<br/>2023<br/>£</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>2023<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b> |
| Donations | 93,608                                       | -  | 93,608                                |
|           | <u>          </u>                            | <u>          </u>  | <u>          </u>                     |

**5. Income from charitable activities**

|  | <b>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Restricted<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
|--|--|--|---------------------------------------|
| Fees generated from the provision of education | 7,948,275                                    | 129,071                                    | <b>8,077,346</b>                      |
|  | <u>          </u>                            | <u>          </u>                          | <u>          </u>                     |
|  | <b>Unrestricted<br/>funds<br/>2023<br/>£</b> | <b>Restricted<br/>funds<br/>2023<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b> |
| Fees generated from the provision of education | 6,879,494                                    | 147,118                                    | 7,026,612                             |
|  | <u>          </u>                            | <u>          </u>                          | <u>          </u>                     |

The income from school fees was £8,077,346 (2023: £7,026,612) of which of £7,948,275 (2023: £6,879,494) was unrestricted and £129,071 (2023: £147,118) was restricted. Included within restricted funds is early years funding to fund early years education of pupils aged between 3 and 5 years old.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**6. Income from other trading activities**

**Income from non charitable trading activities**

|                                  | <b>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
|----------------------------------|--|---------------------------------------|
| Other trading income             | 61,847                                       | <b>61,847</b>                         |
| School holiday and hiring income | 25,005                                       | <b>25,005</b>                         |
| Special educational needs income | 89,398                                       | <b>89,398</b>                         |
| Bus income                       | 165,120                                      | <b>165,120</b>                        |
|                                  | 341,370                                      | <b>341,370</b>                        |
|                                  | 341,370                                      | <b>341,370</b>                        |
|                                  | <b>Unrestricted<br/>funds<br/>2023<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b> |
| Other trading income             | 106,984                                      | 106,984                               |
| School holiday and hiring income | 21,365                                       | 21,365                                |
| Special educational needs income | 141,434                                      | 141,434                               |
| Bus income                       | 145,923                                      | 145,923                               |
|                                  | 415,706                                      | 415,706                               |
|                                  | 415,706                                      | 415,706                               |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**7. Investment income**

|                          | <b>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
|--------------------------|--|---------------------------------------|
| Deposit account interest | 10,178                                       | <b>10,178</b>                         |

|                          | <b>Unrestricted<br/>funds<br/>2023<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b> |
|--------------------------|--|---------------------------------------|
| Deposit account interest | 82   | 82                                    |

**8. Other incoming resources**

|                     | <b>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b> |
|---------------------|--|---------------------------------------|---------------------------------------|
| Insurance claims    | 2,214  | <b>2,214</b>                          | -                                     |
| Bad debts recovered | 1,136  | <b>1,136</b>                          | -                                     |
| <b>Total 2024</b>   | <b>3,350</b>                                 | <b>3,350</b>                          | -                                     |

**9. Expenditure on raising funds**

**Fundraising trading expenses**

|                      | <b>Unrestricted<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
|----------------------|--|---------------------------------------|
| Loan interest        | 148,245                                      | <b>148,245</b>                        |
| Bank charges         | 27,996                                       | <b>27,996</b>                         |
| Agent commission     | 385,218                                      | <b>385,218</b>                        |
| Debt collection fees | 3,756  | <b>3,756</b>                          |
|                      | <b>565,215</b>                               | <b>565,215</b>                        |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**9. Expenditure on raising funds (continued)**

**Fundraising trading expenses (continued)**

|                      | Unrestricted<br>funds<br>2023<br>£ | Total<br>funds<br>2023<br>£ |
|----------------------|------------------------------------|-----------------------------|
| Loan interest        | 137,020                            | 137,020                     |
| Bank charges         | 21,805                             | 21,805                      |
| Bad debts            | 22,049                             | 22,049                      |
| Agent commission     | 236,610                            | 236,610                     |
| Debt collection fees | 5,196                              | 5,196                       |
|                      | <u>422,680</u>                     | <u>422,680</u>              |

**10. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                        | Unrestricted<br>funds<br>2024<br>£ | Restricted<br>funds<br>2024<br>£ | Total<br>2024<br>£ |
|------------------------|------------------------------------|----------------------------------|--------------------|
| Provision of education | <u>7,983,215</u>                   | <u>129,045</u>                   | <u>8,112,260</u>   |

|                        | Unrestricted<br>funds<br>2023<br>£ | Restricted<br>funds<br>2023<br>£ | Total<br>2023<br>£ |
|------------------------|------------------------------------|----------------------------------|--------------------|
| Provision of Education | <u>7,092,010</u>                   | <u>147,029</u>                   | <u>7,239,039</u>   |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**11. Other expenditure**

|                      |  | <b>Total<br/>funds<br/>2024<br/>£</b> |
|----------------------|--|---------------------------------------|
| Historic legal claim |  | -                                     |
|                      |  | <u>                    </u>           |
|                      | <b>Unrestricted<br/>funds<br/>2023<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b> |
| Historic legal claim | 81,713                                       | 81,713                                |
|                      | <u>                    </u>                  | <u>                    </u>           |

**12. Analysis of expenditure by activities**

|                        | <b>Activities<br/>undertaken<br/>directly<br/>2024<br/>£</b> | <b>Support<br/>costs<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2024<br/>£</b> |
|------------------------|--|---|---------------------------------------|
| Provision of education | 6,821,015  | 1,291,245                               | <b>8,112,260</b>                      |
|                        | <u>                    </u>                                  | <u>                    </u>             | <u>                    </u>           |
|                        | <b>Activities<br/>undertaken<br/>directly<br/>2023<br/>£</b> | <b>Support<br/>costs<br/>2023<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b> |
| Provision of education | 6,099,001  | 1,140,038                               | 7,239,039                             |
|                        | <u>                    </u>                                  | <u>                    </u>             | <u>                    </u>           |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**12. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

|  | <b>Total<br/>funds<br/>2024<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b> |
|--|---------------------------------------|---------------------------------------|
| Staff costs                              | <b>628,557</b>                        | 506,636                               |
| Depreciation                             | <b>13,992</b>                         | 13,863                                |
| Staff superannuation                     | <b>29,548</b>                         | 21,207                                |
| Auditors remuneration for non audit work | <b>2,500</b>                          | 2,000                                 |
| Telephone                                | <b>33,854</b>                         | 44,017                                |
| Auditor remuneration                     | <b>18,240</b>                         | 12,600                                |
| Postage                                  | <b>99,957</b>                         | 90,056                                |
| Vehicles                                 | <b>151,266</b>                        | 120,054                               |
| Advertising                              | <b>209,422</b>                        | 172,051                               |
| HR Services                              | <b>24,429</b>                         | 24,429                                |
| Governors indemnity insurance            | <b>3,594</b>                          | 3,423                                 |
| Amortisation                             | <b>11,031</b>                         | 10,915                                |
| Legal and professional fees              | <b>64,855</b>                         | 118,787                               |
|  | <b><u>1,291,245</u></b>               | <u>1,140,038</u>                      |

**13. Auditors' remuneration**

|   | <b>2024<br/>£</b>   | <b>2023<br/>£</b> |
|---|---------------------|-------------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts              | <b>18,240</b>       | 12,600            |
| Fees payable to the Company's auditor in respect of:<br>All non-audit services not included above | <b>2,500</b>        | 2,000             |
|   | <b><u>2,500</u></b> | <u>2,000</u>      |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**14. Staff costs**

|  | 2024<br>£        | 2023<br>£        |
|--|------------------|------------------|
| Wages and salaries                                 | 4,204,518        | 3,686,395        |
| Social security costs                              | 384,934          | 345,471          |
| Operating costs of defined benefit pension schemes | 453,282          | 403,767          |
|  | <u>5,042,734</u> | <u>4,435,633</u> |

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The key management personnel of the Company comprise the Governors, the Headmaster, the Headmaster of the Prep School and the Business Manager. The total employee benefits, including employer pension contributions, of the key management personnel of the Company were £469,152 (2023: £293,280).

The average number of persons employed by the Company during the year was as follows:

|                             | 2024<br>No. | 2023<br>No. |
|-----------------------------|-------------|-------------|
| Tuition                     | 89          | 80          |
| Administration and services | 57          | 59          |
|                             | <u>146</u>  | <u>139</u>  |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                                 | 2024<br>No. | 2023<br>No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000   | 3           | 2           |
| In the band £70,001 - £80,000   | 1           | 1           |
| In the band £80,001 - £90,000   | 1           | -           |
| In the band £120,001 - £130,000 | -           | 1           |
| In the band £130,001 - £150,000 | 1           | -           |

**15. Governors' remuneration and expenses**

During the year, no Governors received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, no Governor expenses have been incurred (2023 - £NIL).

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**16. Intangible assets**

|                       | <b>Marketing<br/>Film<br/>£</b> | <b>Website<br/>Development<br/>Costs<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------|---------------------------------|--|--------------------|
| <b>Cost</b>           |                                 |  |                    |
| At 1 September 2023   | 50,179                          | 24,635   | 74,814             |
| At 31 August 2024     | <u>50,179</u>                   | <u>24,635</u>                                  | <u>74,814</u>      |
| <b>Amortisation</b>   |                                 |  |                    |
| At 1 September 2023   | 34,653                          | 18,887   | 53,540             |
| Charge for the year   | 6,104                           | 4,927  | 11,031             |
| At 31 August 2024     | <u>40,758</u>                   | <u>23,814</u>                                  | <u>64,572</u>      |
| <b>Net book value</b> |                                 |  |                    |
| At 31 August 2024     | <u>9,421</u>                    | <u>821</u>                                     | <u>10,242</u>      |
| At 31 August 2023     | <u>15,526</u>                   | <u>5,748</u>                                   | <u>21,274</u>      |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**17. Tangible fixed assets**

|                           | Freehold<br>property<br>£ | Long-term<br>leasehold<br>property<br>£ | Fixtures and<br>fittings<br>£ | Office<br>equipment<br>£ | Total<br>£        |
|---------------------------|---------------------------|---|-------------------------------|--------------------------|-------------------|
| <b>Cost or valuation</b>  |                           |   |                               |                          |                   |
| At 1 September 2023       | 7,010,000                 | 88,461                                  | 5,537,521                     | 111,184                  | 12,747,166        |
| Additions                 | 6,238                     | -                                       | 512,723                       | 279,298                  | 798,259           |
| Disposals                 | -                         | -                                       | (1,969)                       | -                        | (1,969)           |
| Transfers between classes | 214,437                   | -                                       | -                             | (214,437)                | -                 |
| At 31 August 2024         | <u>7,230,675</u>          | <u>88,461</u>                           | <u>6,048,275</u>              | <u>176,045</u>           | <u>13,543,456</u> |
| <b>Depreciation</b>       |                           |   |                               |                          |                   |
| At 1 September 2023       | -                         | 27,785                                  | 3,555,669                     | -                        | 3,583,454         |
| Charge for the year       | -                         | 6,226                                   | 426,464                       | -                        | 432,690           |
| At 31 August 2024         | <u>-</u>                  | <u>34,011</u>                           | <u>3,982,133</u>              | <u>-</u>                 | <u>4,016,144</u>  |
| <b>Net book value</b>     |                           |   |                               |                          |                   |
| At 31 August 2024         | <u>7,230,675</u>          | <u>54,450</u>                           | <u>2,066,142</u>              | <u>176,045</u>           | <u>9,527,312</u>  |
| At 31 August 2023         | <u>7,010,000</u>          | <u>60,676</u>                           | <u>1,981,852</u>              | <u>111,184</u>           | <u>9,163,712</u>  |

**18. Debtors**

|                                     | 2024<br>£        | 2023<br>£        |
|-------------------------------------|------------------|------------------|
| <b>Due after more than one year</b> |                  |                  |
| Trade debtors                       | 66,707           | 59,404           |
|                                     | <u>66,707</u>    | <u>59,404</u>    |
| <b>Due within one year</b>          |                  |                  |
| Trade debtors                       | 4,603,627        | 5,325,985        |
| Other debtors                       | 67,300           | 62,526           |
| Prepayments and accrued income      | 205,478          | 193,681          |
|                                     | <u>4,943,112</u> | <u>5,641,596</u> |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**19. Creditors: Amounts falling due within one year**

|   | <b>2024</b>             | 2023             |
|---|-------------------------|------------------|
|   | £                       | £                |
| Bank loans  | <b>149,823</b>          | 76,203           |
| Trade creditors   | <b>412,859</b>          | 418,758          |
| Other taxation and social security                          | <b>93,086</b>           | 82,020           |
| Obligations under finance lease and hire purchase contracts | <b>120</b>              | 120              |
| Other creditors   | <b>822,022</b>          | 1,077,452        |
| Accruals and deferred income                                | <b>8,376,876</b>        | 8,054,848        |
|   | <b><u>9,854,786</u></b> | <u>9,709,401</u> |

Deferred income comprises school fees paid in advance for the next school year. The balance included within creditors relates to amounts deferred during the reporting period of £8,330,406 (2023: £8,023,905), with amounts being released to the Statement of Financial Activities of £8,023,905 (2023: £6,799,292).

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**20. Creditors: Amounts falling due after more than one year**

|   | 2024<br>£        | 2023<br>£        |
|---|------------------|------------------|
| Bank loans  | 2,661,016        | 2,506,983        |
| Net obligations under finance lease and hire purchase contracts | 1,440            | 1,560            |
| Accruals and deferred income                                    | 916,195          | -                |
|   | <b>3,578,651</b> | <b>2,508,543</b> |

Bank borrowings at the year end total £2,810,839. The original bank loan is repayable in 300 consecutive monthly instalments representing principal and interest, which commenced in May 2016. The rate of interest payable on the loan is Base Rate plus 4.2% per annum. The loan matures in 2041. Further loan advances were obtained for the re-development of Weaponness House, which are repayable in 288 consecutive monthly instalments representing principal and interest and repayments commenced in April 2019. The rate of the interest payable on this loan is fixed at 4.52% per annum and it matures in 2043.

Deferred income comprises school fees paid in advance for school years after 2024/25.

Included within the above are amounts falling due as follows:

|                                   | 2024<br>£        | 2023<br>£        |
|-----------------------------------|------------------|------------------|
| <b>Between one and two years</b>  |                  |                  |
| Bank loans                        | 159,726          | 81,675           |
|                                   | <b>159,726</b>   | <b>81,675</b>    |
| <b>Between two and five years</b> |                  |                  |
| Bank loans                        | 413,941          | 246,186          |
|                                   | <b>413,941</b>   | <b>246,186</b>   |
| <b>Over five years</b>            |                  |                  |
| Bank loans                        | 2,087,349        | 2,179,122        |
|                                   | <b>2,087,349</b> | <b>2,179,122</b> |

**21. Provisions**

|                     | Pension<br>provision<br>£ |
|---------------------|---------------------------|
| At 1 September 2023 | 295,987                   |
| Amounts used        | (11,033)                  |
|                     | <b>284,954</b>            |

**SCARBOROUGH COLLEGE LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**22. Statement of funds**

**Statement of funds - current year**

|                                     | Balance at 1<br>September<br>2023<br>£ | Income<br>£      | Expenditure<br>£   | Transfer<br>£  | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2024<br>£ |
|-------------------------------------|--|------------------|--------------------|----------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>           |  |                  |                    |                |                         |                                      |
| <b>Called up share capital</b>      |  |                  |                    |                |                         |                                      |
| Called up share capital             | 5,507                                  | -                | -                  | -              | -                       | 5,507                                |
| <b>General funds</b>                |  |                  |                    |                |                         |                                      |
| General Funds - all funds           | 2,439,667                              | 8,433,988        | (8,548,430)        | 202,982        | (11,091)                | 2,517,116                            |
| Revaluation reserve                 | 678,089                                | -                | -                  | -              | -                       | 678,089                              |
|                                     | <u>3,117,756</u>                       | <u>8,433,988</u> | <u>(8,548,430)</u> | <u>202,982</u> | <u>(11,091)</u>         | <u>3,195,205</u>                     |
| <b>Total Unrestricted funds</b>     | <u>3,123,263</u>                       | <u>8,433,988</u> | <u>(8,548,430)</u> | <u>202,982</u> | <u>(11,091)</u>         | <u>3,200,712</u>                     |
| <b>Endowment funds</b>              |  |                  |                    |                |                         |                                      |
| Endowment Funds - all funds         | 102                                    | -                | -                  | -              | -                       | 102                                  |
| <b>Restricted funds</b>             |  |                  |                    |                |                         |                                      |
| Peggy Bailey Legacy                 | 73,470                                 | -                | -                  | -              | -                       | 73,470                               |
| Early Years                         | 393                                    | 129,071          | (129,045)          | -              | -                       | 419                                  |
| Cricket Pavillion Fund              | 1,100                                  | -                | -                  | -              | -                       | 1,100                                |
|                                     | <u>74,963</u>                          | <u>129,071</u>   | <u>(129,045)</u>   | <u>-</u>       | <u>-</u>                | <u>74,989</u>                        |
| <b>Restricted fixed asset funds</b> |  |                  |                    |                |                         |                                      |
| Cafe extension                      | -                                      | 202,982          | -                  | (202,982)      | -                       | -                                    |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**22. Statement of funds (continued)**

**Statement of funds - current year (continued)**

|                               | Balance at 1<br>September<br>2023<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2024<br>£ |
|-------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Total Restricted funds</b> | <b>74,963</b>                          | <b>332,053</b>   | <b>(129,045)</b>   | <b>(202,982)</b>         | <b>-</b>                | <b>74,989</b>                        |
| <b>Total of funds</b>         | <b>3,198,328</b>                       | <b>8,766,041</b> | <b>(8,677,475)</b> | <b>-</b>                 | <b>(11,091)</b>         | <b>3,275,803</b>                     |

The endowment fund is a prize giving fund, and represents monies held for the endowment of a prize.

The Peggy Bailey Legacy fund represents monies donated to the Company restricted to the endowment of an award, prize or scholarship for students.

The Early Years fund represents Government funding received for the education of pupils aged 3 to 5 years.

The Cricket Pavilion Fund represents monies donated to the Company towards the cost of rebuilding a new pavilion within the grounds of the Company, following a fire which completely destroyed the previous building.

The Cafe extension fund relates to a donation received from Holroyd Howe in order to fund the extension of the school cafe. Holroyd Howe is a supplier and the donation was paid as part of a contract renewal, on the guarantee that the Company would use it on a catering related spend. Since the money has all been spent, and there are no conditions for the future use of the property, this has been transferred to the unrestricted fund.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**22. Statement of funds (continued)**

**Statement of funds - prior year**

|                                 | Balance at<br>1 September<br>2022<br>£ | Income<br>£             | Expenditure<br>£          | Revaluation<br>£      | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2023<br>£ |
|---------------------------------|--|-------------------------|---------------------------|-----------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>       |  |                         |                           |                       |                         |                                      |
| <b>Called up share capital</b>  |  |                         |                           |                       |                         |                                      |
| Called up share capital         | 5,507                                  | -                       | -                         | -                     | -                       | 5,507                                |
| <b>General funds</b>            |  |                         |                           |                       |                         |                                      |
| General Funds - all funds       | 2,628,935                              | 7,388,890               | (7,596,403)               | -                     | 18,245                  | 2,439,667                            |
| Revaluation reserve             | 15,240                                 | -                       | -                         | 662,849               | -                       | 678,089                              |
|                                 | <u>2,644,175</u>                       | <u>7,388,890</u>        | <u>(7,596,403)</u>        | <u>662,849</u>        | <u>18,245</u>           | <u>3,117,756</u>                     |
| <b>Total Unrestricted funds</b> | <u>2,649,682</u>                       | <u>7,388,890</u>        | <u>(7,596,403)</u>        | <u>662,849</u>        | <u>18,245</u>           | <u>3,123,263</u>                     |
| <b>Endowment funds</b>          |  |                         |                           |                       |                         |                                      |
| Endowment Funds - all funds     | 102                                    | -                       | -                         | -                     | -                       | 102                                  |
| <b>Restricted funds</b>         |  |                         |                           |                       |                         |                                      |
| Peggy Bailey Legacy             | 73,470                                 | -                       | -                         | -                     | -                       | 73,470                               |
| Early Years                     | 304                                    | 147,118                 | (147,029)                 | -                     | -                       | 393                                  |
| Cricket Pavillion Fund          | 1,100                                  | -                       | -                         | -                     | -                       | 1,100                                |
|                                 | <u>74,874</u>                          | <u>147,118</u>          | <u>(147,029)</u>          | <u>-</u>              | <u>-</u>                | <u>74,963</u>                        |
| <b>Total of funds</b>           | <u><u>2,724,658</u></u>                | <u><u>7,536,008</u></u> | <u><u>(7,743,432)</u></u> | <u><u>662,849</u></u> | <u><u>18,245</u></u>    | <u><u>3,198,328</u></u>              |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**23. Summary of funds**

**Summary of funds - current year**

|                              | Balance at 1<br>September<br>2023<br>£ | Income<br>£      | Expenditure<br>£   | Transfer<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2024<br>£ |
|------------------------------|--|------------------|--------------------|---------------|-------------------------|--------------------------------------|
| Designated funds             | 5,507                                  | -                | -                  | -             | -                       | 5,507                                |
| General funds                | 3,117,756                              | 8,433,988        | (8,548,430)        | 202,982       | (11,091)                | 3,195,205                            |
| Endowment funds              | 102                                    | -                | -                  | -             | -                       | 102                                  |
| Restricted funds             | 74,963                                 | 129,071          | (129,045)          | -             | -                       | 74,989                               |
| Restricted fixed asset funds | -                                      | 202,982          | -                  | (202,982)     | -                       | -                                    |
|                              | <u>3,198,328</u>                       | <u>8,766,041</u> | <u>(8,677,475)</u> | <u>-</u>      | <u>(11,091)</u>         | <u>3,275,803</u>                     |

**Summary of funds - prior year**

|                  | Balance at<br>1 September<br>2022<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2023<br>£ |
|------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Designated funds | 5,507                                  | -                | -                  | -                        | -                       | 5,507                                |
| General funds    | 2,644,175                              | 7,388,890        | (7,596,403)        | 662,849                  | 18,245                  | 3,117,756                            |
| Endowment funds  | 102                                    | -                | -                  | -                        | -                       | 102                                  |
| Restricted funds | 74,874                                 | 147,118          | (147,029)          | -                        | -                       | 74,963                               |
|                  | <u>2,724,658</u>                       | <u>7,536,008</u> | <u>(7,743,432)</u> | <u>662,849</u>           | <u>18,245</u>           | <u>3,198,328</u>                     |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**24. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

|  | Unrestricted<br>funds<br>2024<br>£ | Restricted<br>funds<br>2024<br>£ | Endowment<br>funds<br>2024<br>£ | Total<br>funds<br>2024<br>£ |
|--|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets                  | 9,527,312                          | -                                | -                               | <b>9,527,312</b>            |
| Intangible fixed assets                | 10,242                             | -                                | -                               | <b>10,242</b>               |
| Debtors due after more than one year   | 66,707                             | -                                | -                               | <b>66,707</b>               |
| Current assets                         | 7,314,842                          | 74,989                           | 102                             | <b>7,389,933</b>            |
| Creditors due within one year          | (9,854,786)                        | -                                | -                               | <b>(9,854,786)</b>          |
| Creditors due in more than one year    | (3,578,651)                        | -                                | -                               | <b>(3,578,651)</b>          |
| Provisions for liabilities and charges | (284,954)                          | -                                | -                               | <b>(284,954)</b>            |
| <b>Total</b>                           | <b>3,200,712</b>                   | <b>74,989</b>                    | <b>102</b>                      | <b>3,275,803</b>            |

**Analysis of net assets between funds - prior period**

|  | Unrestricted<br>funds<br>2023<br>£ | Restricted<br>funds<br>2023<br>£ | Endowment<br>funds<br>2023<br>£ | Total<br>funds<br>2023<br>£ |
|--|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets                  | 9,163,712                          | -                                | -                               | 9,163,712                   |
| Intangible fixed assets                | 21,274                             | -                                | -                               | 21,274                      |
| Debtors due after more than one year   | 59,404                             | -                                | -                               | 59,404                      |
| Current assets                         | 6,392,804                          | 74,963                           | 102                             | 6,467,869                   |
| Creditors due within one year          | (9,709,401)                        | -                                | -                               | (9,709,401)                 |
| Creditors due in more than one year    | (2,508,543)                        | -                                | -                               | (2,508,543)                 |
| Provisions for liabilities and charges | (295,987)                          | -                                | -                               | (295,987)                   |
| <b>Total</b>                           | <b>3,123,263</b>                   | <b>74,963</b>                    | <b>102</b>                      | <b>3,198,328</b>            |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**25. Reconciliation of net movement in funds to net cash flow from operating activities**

|  | 2024<br>£        | 2023<br>£ |
|--|------------------|-----------|
| Net income/expenditure for the period (as per Statement of Financial Activities) | <b>88,566</b>    | (207,424) |
| <b>Adjustments for:</b>  |                  |           |
| Depreciation/amortisation charges  | <b>443,721</b>   | 297,820   |
| Interest received  | <b>(10,178)</b>  | (82)      |
| Interest paid  | <b>148,245</b>   | 137,020   |
| Increase in debtors  | <b>698,485</b>   | (567,451) |
| Increase in creditors  | <b>987,959</b>   | 1,148,669 |
| Increase/ (decrease) in provision  | <b>(11,033)</b>  | (131,364) |
| Donated fixed assets   | -                | (85,258)  |
| Loss on disposal of fixed asset  | <b>1,969</b>     | 955       |
| Defined benefit pension scheme remeasurement                                     | <b>(11,091)</b>  | 18,245    |
| <b>Net cash generated by operating activities</b>                                | <b>2,336,643</b> | 611,130   |

**26. Analysis of cash and cash equivalents**

|  | 2024<br>£        | 2023<br>£ |
|--|------------------|-----------|
| Cash in hand                           | <b>2,513,528</b> | 885,677   |
| <b>Total cash and cash equivalents</b> | <b>2,513,528</b> | 885,677   |

**27. Analysis of changes in net debt**

|                          | At 1<br>September<br>2023<br>£ | Cash flows<br>£  | At 31<br>August 2024<br>£ |
|--------------------------|--------------------------------|------------------|---------------------------|
| Cash at bank and in hand | <b>885,677</b>                 | <b>1,627,851</b> | <b>2,513,528</b>          |
| Debt due within 1 year   | <b>(76,203)</b>                | <b>(73,621)</b>  | <b>(149,824)</b>          |
| Debt due after 1 year    | <b>(2,506,983)</b>             | <b>(154,033)</b> | <b>(2,661,016)</b>        |
| Finance leases           | <b>(1,680)</b>                 | <b>120</b>       | <b>(1,560)</b>            |
|                          | <b>(1,699,189)</b>             | <b>1,400,317</b> | <b>(298,872)</b>          |

## SCARBOROUGH COLLEGE LIMITED

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

#### 28. Called up share capital

There are 5,507 Ordinary shares of £1 each which have been allotted, called up and fully paid (2023 same).

Shares carry equal voting rights and each class of share also ranks equally in regard to distributions, including distributions arising from a winding up of the Company.

#### 29. Pension commitments

The Company, together with many other independent schools, operates a contributory plan providing defined benefits based on final pensionable pay for its employees. The assets of the plans are held separately from those of the Company. They also operate three defined contribution schemes.

Contributions to three schemes during the year were based on the following percentages of salary:-

|                                     | Employer | Employee     | Total         |
|-------------------------------------|----------|--------------|---------------|
| Independent Schools' Pension Scheme | 8%       | 8%           | 16%           |
| Aviva Pension Scheme                | 16.4%    | 7.4% - 11.7% | 23.8% - 28.1% |
| People's Pension.                   | 3%       | 5%           | 8%            |

The defined benefit pension scheme is a multi-employer pension scheme. As a result of which it is neither possible nor appropriate to identify the assets and liabilities of the schemes which are attributable to the Company. Accordingly the Company has accounted for its contributions as if they were defined contribution schemes.

#### Independent Schools' Pension Scheme

The Company participates in the scheme, which is a multi- employer scheme, and provides benefits to some 66 non-associated employers. 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 with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the Governors and the participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows:

#### Deficit Contributions

From 1 September 2022 to 30 April 2032: £2,687,000 per annum  
(payable monthly and increasing by 3% on each  
1st September)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**29. Pension commitments (continued)**

funding shortfall, the Pension Scheme Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit Contributions**

From 1 September 2019 to 31 April 2030: £2,387,357 per annum  
(payable monthly and increasing by 3% on each  
1st September)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the 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.

|  | 2024<br>£      | 2023<br>£      |
|--|----------------|----------------|
| <b>Reconciliation of Opening and Closing Provisions</b>  |                |                |
| Provision at start of period                             | 295,987        | 337,511        |
| Unwinding of the discount factor (interest expense)      | 15,954         | 13,690         |
| Deficit contribution paid                                | (38,078)       | (36,969)       |
| Remeasurements - impact of any change in assumptions     | 11,091         | (18,245)       |
| <b>Provision at end of period</b>                        | <b>284,954</b> | <b>295,987</b> |
|  | <b>2024</b>    | <b>2023</b>    |
|  | <b>£</b>       | <b>£</b>       |
| <b>Income and Expenditure Impact</b>                     |                |                |
| Interest expense   | 15,954         | 13,690         |
| Remeasurements - amendments to the contribution schedule | 11,091         | (18,245)       |
|  | <b>27,045</b>  | <b>(4,555)</b> |
|  | <b>2024</b>    | <b>2023</b>    |
|  | <b>£</b>       | <b>£</b>       |

**Assumptions**

The discount rates shown below 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.

|                             | 31 August 2024 | 31 August 2023 | 31 August 2022 |
|-----------------------------|----------------|----------------|----------------|
| Discount rate (% per annum) | 4.68           | 5.79           | 4.31           |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**30. Operating lease commitments**

At 31 August 2024 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

|   | <b>2024</b>      | 2023    |
|---|------------------|---------|
|   | £                | £       |
| <b>Non-cancellable operating leases</b> |                  |         |
| Within one year                         | <b>321,619</b>   | 125,262 |
| Between one and five years              | <b>542,523</b>   | 384,166 |
| In more than five years                 | <b>249,154</b>   | 328,979 |
|   | <b>1,113,296</b> | 838,407 |
|   | <b>1,113,296</b> | 838,407 |

**31. Finance lease commitments**

Minimum lease payments under hire purchase fall due as follows:

|                            | <b>2024</b>  | 2023  |
|----------------------------|--------------|-------|
|                            | £            | £     |
| Within one year            | <b>120</b>   | 120   |
| Between one and five years | <b>480</b>   | 480   |
| In more than five years    | <b>960</b>   | 1,080 |
|                            | <b>1,560</b> | 1,680 |
|                            | <b>1,560</b> | 1,680 |

**32. Post balance sheet events**

After the balance sheet date, the Company purchased a new boarding house, White Lodge. The purchase was completed in November 2024 for consideration of £775,000. The Company was not legally committed to the purchase at the balance sheet date.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**33. Related party transactions**

During the year the Company leased a property, on an arm's length basis from Broadland Properties Limited, for £60,000 (2023: £60,000). Mr R Guthrie (a director of Scarborough College Limited), is a Director and person with significant control of Broadland Properties Limited.

Three Governors had children enrolled in the Company during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £58,784 (2023: £80,100).

An element of Bramcote Sports Centre has been leased to Bramcote Athletics on a long lease, with approval by the Charities Commission. Related costs during the year include a recharge of staff costs from Bramcote Athletic Ltd to the College of £24,209 and the College recharged total costs of £31,550 to Bramcote Athletic Ltd.

The athletics track at the Company's Bramcote site is held as an asset of the company. This asset is leased long term to Bramcote Athletic Ltd of which Richard Guthrie, a Governor of Scarborough College, is a Director of this company.

**SCARBOROUGH COLLEGE**

England & Wales - Charity number 529686

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# Accounts

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Registered number: 00050404  
Charity number: 529686

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**CONTENTS**

|   | Page    |
|---|---------|
| Reference and administrative details of the Company, its Governors and advisers | 1       |
| Governors' report   | 2 - 13  |
| Governors' responsibilities statement   | 14      |
| Independent auditors' report on the financial statements                        | 15 - 18 |
| Statement of financial activities   | 19      |
| Balance sheet   | 20 - 21 |
| Statement of cash flows   | 22      |
| Notes to the financial statements   | 23 - 49 |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2023**

|                                  |  |
|----------------------------------|--|
| <b>Governors</b>                 | Mr G W Robinson, Chairman (appointed 5 January 2023)<br>Mr A S Green, Vice Chairman<br>Mrs R Clements (Resigned 22 September 2022)<br>Mrs V J Gillingham<br>Mr J A Cliffe<br>Mr R Guthrie<br>Mr J R Marshall<br>Mr S N Fairbank<br>Mr J S Rowlands<br>Mr J F W Swiers<br>Mr G N M Young<br>Dr J Renshaw<br>Mr A W Ingham (appointed 28 June 2023)<br>Mrs W E Martin (appointed 10 July 2023) |
| <b>Company registered number</b> | 00050404   |
| <b>Charity registered number</b> | 529686   |
| <b>Registered office</b>         | Scarborough College<br>Filey Road<br>Scarborough<br>North Yorkshire<br>YO11 3BA  |
| <b>Independent auditors</b>      | Armstrong Watson Audit Limited<br>Chartered Accountants & Statutory Auditors<br>Third Floor<br>10 South Parade<br>Leeds<br>West Yorkshire<br>LS1 5QS   |
| <b>Bankers</b>                   | Lloyds<br>Scarborough<br>North Yorkshire<br>YO11 2YY   |
| <b>Solicitors</b>                | Lupton Fawcett<br>2 The Embankment<br>Sovereign Street<br>Leeds<br>LS1 4BA   |

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

The Governors, (who are also the Trustees and Directors of the Company for the purposes of company law, and so will be referred to through out the report as "the Governors") present their annual report together with the audited financial statements of the Company for the 1 September 2022 to 31 August 2023. The Annual report serves the purposes of both a Governors' report and a Directors' report under company law. The Governors confirm that the Annual report and Financial Statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Objectives and activities**

**a. Objectives and Activities**

The objects of the Company, in accordance with its Articles and Memorandum of Association, are to establish and conduct in Scarborough, and elsewhere, a Day and Boarding School or Schools for Boys and Girls (aged 3 to 18 years) in which there shall be given a sound education, combined with a moral and religious input.

**b. Aims and Intended Impact**

The Company's vision is to be a recognised leader in British independent education.

**c. Mission Statement**

The Company's commitment is to discover and fully realise every child's potential by ensuring that all pupils are seen as individuals whose specific needs are recognised and met. We are dedicated to providing a far-reaching education that goes beyond the boundaries of the classroom, underpinned by strong lifelong values, which inspires academic excellence and ensures pupils are challenged. Regular opportunities to understand their own capabilities through exposure to a broad range of sporting, cultural and creative activities, widens our pupils' horizons and builds their self-confidence. Within our outward facing, grounded and caring community the relationships that exist nurture tolerant, honest and compassionate people who will make a genuine difference in their futures beyond the confines of our school.

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

**d. Aims of the Company**

The Company seeks:

- To encourage and enable pupils to achieve their academic potential and to foster a climate in which high quality teaching and learning are the utmost priorities.
- To respond to, support, and bring about the aspirations of pupils and their parents, whilst being attentive to their views.
- To consistently provide a high degree of personal care, support and guidance within, and outside of, the formal pastoral structure.
- To promote the acquisition and development of life-long values and 'character'.
- To cultivate and develop in pupils a sense of spirituality, cultural awareness and a moral framework through which they can live a fulfilling and happy life.
- To provide an environment in which pupils feel valued and learn to work co-operatively within a safe and nurturing community.
- To provide regular opportunities for all pupils to engage with a varied co-curricular programme so that they may explore their talents and discover life-long passions.
- To be a caring, supportive and appreciative employer, recognising the work and commitment of all staff whilst facilitating a climate of continual professional development.
- To consistently look for improvements in everything we do, thereby ensuring that the experience all our stakeholders undergo becomes ever more positive and rewarding.

The main objectives remain unchanged and are to achieve excellent public examination results, to continue with the successful work related to the International Baccalaureate programme, to enhance the boarding provision, and to strengthen even further the Company's links with the community.

The Company's strategy is to continue to develop the school's facilities, both physical and intellectual, for providing an excellent education for its students. The enhancement of the school facilities will be driven through property development activity which is given in greater detail in the Future Plans section of this report.

**e. Principal Activity**

The principal activity continues to be the provision in Scarborough of Independent Education for both boarding and day children between the ages of 3 to 18 years old. The Prep School takes boys and girls from 3 —11 years of age and also operates a pre-school nursery (Little Owls). The Senior School provides for students aged 11 to 18 years. For this academic year the student population was 530, not including younger children attending the nursery.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

**f. Volunteers**

The Friends of Scarborough College, and the Old Scardeburgians Association (OSA) both continue to support the Company in many ways. Both groups fund raise to support projects in the Company including enhancement of the facilities. The OSA also holds regular functions to bring present and past pupils together both through sport and socially. Furthermore, the OSA sponsor scholarships as part of the scholarship and bursary scheme operated by the Company. The Board continues to be extremely grateful for all their efforts, and the enthusiastic support of both groups creates a strong bond between the Company and parents, helping to strengthen community spirit.

**g. Public Benefit**

The Company remains aware of its responsibility to achieve public benefit by working closely with the local community, whilst also developing links with other schools, charities and local organisations. The Company has complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission.

The Company continues to take a leading role in a number of areas of support to the local community and, in particular, to sports in the Scarborough area. This can be highlighted by a few examples. Further to the council's permission to allow third-party users, the Company will continue to offer the all-weather astro pitch to Scarborough Hockey Club as well as other local clubs for a nominal fee.

During the summer period and other periods outside of term time, the Company actively reaches out to schools, sports clubs and other organisations. Yorkshire County Cricket Club and subsidiaries such as the Yorkshire Cricket Development Group make use of both the indoor and outdoor facilities. Various schools can use, and do use, the sporting facilities on Bramcote, Deepdale and the Main College field.

In addition, schools can make use of the performing arts facilities at Lisvane Hall as well as classrooms in the Science block, the visual arts department and other areas of the school. Depending on the nature of the provider, usage is either free of charge or for a nominal fee.

The Company organises a number of events for local primary schools, including, though not limited to, Tykes in Tune performing arts day, CSI Science Day and sports days. Furthermore, the Company offers its minibuses to support schools with transportation of its pupils.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

**h. Community Service**

Throughout the Company and across all age groups, there is a strong sense of community spirit and service. Outside of school life, numerous students are actively involved in community service and, in addition, many overseas students have been active in or even founded community projects in their own countries and communities. Their enthusiasm and altruistic entrepreneurial spirit inspires and supports other pupils. Examples of charities supported by the staff and pupils are MacMillan, Mellow Yellow, Young Minds, the recent Sunflower Appeal and the international We See You Run in South Africa.

Together with pupils, the Friends of Scarborough College and the Scarborough College Charities Committee; the Company maintains strong ties with several charities in the community as well as nationwide. The Rainbow Centre, in particular, has enjoyed a long relationship with the Company and features throughout on the charities calendar.

Within the Senior School, students are engaged with community service as part of their Duke of Edinburgh's programme of which almost all the eligible students of the Senior School take part in at some point. It is an essential part of the International Baccalaureate Diploma Programme during Sixth Form, where the Creativity, Action and Service (CAS) component of the Diploma Programme encourages students to engage with the world around them.

Charitable donations from fund raising activities amount to £6,498 (2022: £8,162) in the year.

**i. Bursaries and Scholarship awards**

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. Learning occurs through social interaction, conversation and shared experiences which help our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy together with our out-reach work contribute to a widening of access to the education we offer and the facilities we enjoy.

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by the Company. Our bursary awards are available to all who meet our general entry requirements and are made solely based on parental means or to relieve hardship where a pupil's education and prospects would otherwise be at risk, for example, in the case of redundancy. In assessing means the Company takes several factors into consideration including family income, investments and savings, and family circumstances, for example, dependent relatives and the number of siblings.

Those wishing to be considered for bursary support are required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees is assessed according to the guardians' ability to pay full fees and the availability of bursary funds to the Company. Bursary awards are subject to the annual testing of the guardians' means.

This year the value of means tested bursaries totalled £659,623 (2022: £495,913) and represented 7.02% of our gross fees. They aided 119 pupils, representing 22.45% of the school roll, of which 1 pupil benefited from a full fee remission.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

**j. Non means-tested fee remissions**

The purpose of our scholarship awards is to recognise high academic, musical, and sporting potential or ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the aforementioned abilities which will contribute to our co-curricular activities; awards may be subject to conditions. Scholarships are awarded with a fixed remission of fees of between 10% and 100%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. The value of Scholarships in the school year totalled £656,498 (2022: £530,107) awarded to 126 pupils.

Other forms of non-means-tested assistance were also awarded during the academic year, including sibling and staff discounts. In total these awards were made to 212 pupils and amounted to £868,936 (2022: £922,613).

The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with abilities. No scholarships were withdrawn in the year as a result of reviews.

**HMC Projects**

In the early 1990s, as communism collapsed in eastern Europe, the Headmasters' and Headmistresses' Conference (HMC) supported a sixth form scholarship scheme to provide educational opportunities for young people in countries that had been behind the Iron Curtain. HMC Projects, as it was called, aimed to identify talented 16 and 17 year olds and give them the opportunity to study and live at a British boarding school. The aim of the scholarship programme is to foster bonds of understanding and friendship between young people across Europe and to give young people from the former communist countries in Central and Eastern Europe an enriching and rewarding experience in some of the best schools in the world. In 2019 the Company first offered a place to a scholar. By 2023 the Company had 4 scholars. The value of such Scholarships in the school year totalled £138,144.

**Royal SpringBoard**

Royal SpringBoard is the UK's largest bursary charity, helping disadvantaged and vulnerable children from across the UK to access fully funded bursaries at leading schools. It is a social mobility charity focusing on harnessing the power of educational opportunities at some of the UK's leading schools to benefit young people who need them the most. In 2023 the Company supported 2 pupils from across the UK by giving them access to a life-changing education. The value of such Scholarships in the school year totalled £47,776.

**k. Our ethos; a caring Company serving our local community and society.**

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education the Company provides.

The Company is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the Company, and at a level that is consistent with our aim of providing a first-class education to boys and girls from all backgrounds of the local community and beyond. To admit a prospective pupil, we need to be satisfied that the Company will be able to educate and develop him/her to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments and interviews are undertaken to satisfy the Company and parents that potential pupils can cope with the pace of learning and benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion, or disability do not form part of the assessment process.

The Company is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation, or disability. The Company makes reasonable adjustments to meet the needs of staff or pupils who are or become disabled. The Company is committed to safeguarding and promoting the welfare of the pupils and expects all staff and volunteers to share this commitment.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The Company maintains regular contact with parents throughout the year through informal contacts and the fortnightly news publications (The Owl). All pupils have a Form Tutor responsible for pastoral care and academic development.

**Strategic report**

**Achievements and performance**

**a. Our successes**

As a non-selective school, the Company is proud to remain true to its founding mission and provide deserving children with a world class, holistic education. Students in the Sixth Form study the renowned and globally recognised International Baccalaureate Diploma Programme (IBDP). Through its Learner Profile, IB World Schools such as the Company embrace and foster academic excellence in a learning environment that is culturally diverse, caring, forward facing and robust.

Public examination in both the GCSEs and IBDP continued to be extremely positive and far above the world average (IBDP). Sixth Form students were successful at gaining places at several top universities in both the United Kingdom and the rest of the world, while some earned highly sought-after scholarships at some of these universities. The IBDP exam cohort was 32 students, who achieved an average of 31.4 points. GCSE results were once again outstanding with 47% of students achieving grades 9-7 (A\* and A). 69 students did GCSE exams and the overall pass rate was 94%.

Furthermore along with its mission, the Company continues to provide a diverse, challenging and inspiring co-curricular programme. These include activities of a sporting nature, performing and visual arts, outdoor exploits as well as activities that promote a healthy and sustainable lifestyle and well-being. This mission is highlighted in the Company's Yorkshire Grit programme, its Enrichment Programme and the extremely high numbers of children registering for the Duke of Edinburgh programme.

As a direct result of this dedicated approach, both performing arts and sports continue to thrive at the school. Gig on the Green has become an annual event and an extra production has been added to the school calendar, providing more depth and opportunities for children interested in the performing arts. A record number of children are enrolled into private music lessons and the Company's LAMDA programme.

Further investment in sports has seen, the Company competes at an extremely high level in cricket, hockey, golf and rugby. After having reached the Tier 2 final twice in a row, the Girls' U18s were entered into Tier 1. The Company proudly holds second spot in Tier 1 division north currently. Lower down the school, there have been several hockey successes including the U16s Boys and Girls. The Cricket Centre of Excellence has seen its first alum get selected for England U19s. The Company's First XI has outgrown its local rivals and lower down the school, there were several huge successes including the Yorkshire Championship for the U16 Boys. Rugby is continuing to be developed and significant results for both for the First XV and lower age groups are extremely positive. The completion of the running track is already attracting interest both locally and from further afield; a strategy to recruit athletic talent is being deployed as well as a fixture calendar for the summer term.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Financial Review and Results**

The Company continues to grow in size both in terms of pupil numbers, with a 10% increase in the numbers and a £751,124 growth in net fees. It does, however, maintain committed to providing support to families struggling with the effects of the current economic climate. The principal source of income is fees accounting for 93% of the Company's total income.

The Company itself has seen a rise in expenditure of 10.04% which is driven in part by the rise in pupil numbers and as a result of cost-of-living crisis and inflationary pressure on prices. The Governing Body maintains focussed on controlling the levels of expenditure.

The Company produced a surplus in 2022 - 2023 of £473,670. This does include a gain of £18,245 relating to the fair value adjustment on the defined benefit scheme. It is planned that the Company will next year be once again in surplus and hoped that this position can be maintained for future years.

The Governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of the Company.

As a charity the parents of the pupils have the assurance that all income of the Company must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains, provided these are applied for our charitable aims. As a Company we are also entitled to an 80% reduction in our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for the educational purposes and indirectly help us to maintain our bursary policy and out-reach programme.

However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits the Company brings to our pupils, the local community and society through the education we offer, our bursary programme and our out-reach work create a social asset without a cost to the Government.

**c. Development and Maintenance**

Major projects included completion of the re-roofing of the main Company building. The Company carried out extensive works upgrading the fire and lockdown alarms in all of its premises.

Other significant maintenance works have been undertaken during the year as part of the Company's prioritised maintenance plan to ensure the Company's buildings continue to function fully as intended.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Strategic report (continued)**

**Achievements and performance (continued)**

**d. Key Performance Indicators**

|   | 2023  | 2022  | 2021  | 2020  | 2019  |
|---|-------|-------|-------|-------|-------|
| IB exam pass rate   | 87%   | 88%   | 100%  | 81%   | 80%   |
| GCSE pass rate (9-4)  | 92%   | 95.6% | 96%   | 89%   | 90%   |
| Net fee income (£'000)  | 6,790 | 6,275 | 5,431 | 4,709 | 4,888 |
| Non fee income (£'000)  | 502   | 1,086 | 258   | 621   | 191   |
| Net incoming (outgoing) resources before fair value adjustments (£'000) | (207) | 325   | (655) | (23)  | (258) |
| Capital expenditure (£'000)   | 881   | 996   | 173   | 416   | 3,106 |

**e. Reserves Policy**

The Governors regularly review the finances, budgets and spend against budget together with a cash flow analysis as part of the effective stewardship of the Company.

In common with other independent schools, the Governors have invested substantial sums into the Company buildings and have a continuing programme of refurbishment and development to maintain the excellent teaching facilities for our pupils.

The Company's unrestricted funds stood at £3,123,263 at the year end, and these were wholly deployed in funding the Company's Capital Expenditure on the premises and equipment. The Company's restricted funds stood at £74,963 at the year end.

The policy of the Governors of Scarborough College Limited is to aim to retain reserves of £1.3 million or more. This is equivalent to approximately three months' expenditure, by means of annual operating surpluses, subject to the prior demands of further capital and revenue expenditure needed to maintain the high standard of the educational facilities provided at the Company. The Governors also aim that at the end of each academic year, an amount equal to 10% of the cash surplus generated in that year, as reported in the cashflow statement, shall be transferred into a dedicated reserve account. The aim of this reserve is to provide a contingency fund for any future major, unforeseen event and also to provide funding for future developments.

**f. Market Value of Land and Buildings**

In the opinion of the Governors of the Company, the current market value of the Company's land and buildings was not less than the amount £7,010,000 shown in the balance sheet.

**g. Going Concern**

After making appropriate enquiries, the Governors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Strategic report (continued)**

**Structure, governance and management**

**a. Governing Document**

The Company is governed by its Memorandum and Articles of Association first issued on 4 December 1896, and filed at Companies House most recently on 29 September 2018.

**b. Governing Body**

The Governors are responsible for the overall management and control of the Company and meet four times a year at various sub committees, and four times a year as the full board. The work of implementing their policies is carried out through several Governors' sub committees, The sub committees include a Finance and Management Committee, Education and Welfare Committee, and a Marketing Committee. The Board is a self-appointing body, and governors are elected at a full governors' meeting of the Company. The Company's Business Manager is responsible for co-ordinating the work of the Governors and their Committees, preparation of papers and management accounts, and the review of matters arising.

**c. Governor Recruitment and Training**

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new governors, the important attribute is a passion for the work of the Company and an understanding of education as a holistic and rounded experience of personal growth. Where possible the Governors consider that the skills and experience of the Board should comprise of the following:

- A governor with a legal background.
- A governor with a financial/accounting background.
- A governor with education experience and background.
- A governor with senior managerial or business experience.
- A governor with HR/employment law experience.
- A governor with property/surveying experience.

On appointment, new Governors are inducted into the workings of the Board and their responsibilities as directors, charity trustees and school governors. The Charity has no formal Governor training procedures in place. However, Governors are encouraged to attend training courses and seminars run by AGBIS (The Association of Governing Bodies of Independent Schools). Additionally, governors are encouraged to take a full part in the activities of the Company including attendance at concerts and sports events, plus time in the classroom observing lessons.

**d. Other Relationships**

The Headmaster is a member of the Society of Heads and HMC, attending the society's conferences which are an opportunity to share expertise, knowledge and experience across the independent school sector. The conferences also permit appropriate representation to Government and regulators of the views of the sector. The Company is also a member of IAPS and BSA, whilst also holding IB World School status.

The Business Manager is a Board member of the Independent Schools Bursars Association.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Structure, governance and management (continued)**

**e. Organisational Management**

The Governors meet at least four times a year (October, December, March and June) to determine the general policy of the Company and review the overall management and control, for which they are legally responsible. The work of implementing most of their policies is carried out by the Finance and Management Committee, chaired by Mr G Young, and which meets regularly prior to each meeting of the full Governing Board, and on other occasions when necessary to regulate the administration of the Company. The other principal committee is the Education and Welfare Committee, which as its title indicates, focuses on matters relating to education/curriculum and welfare.

The Governors determine the general policy of the Company but the day to day running of the Company is delegated to the Headmaster, supported by the Senior Management Team. The Headmaster undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of both the Prep and Senior schools is undertaken within the policies and procedures approved by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval. The approval process is detailed within the Financial Regulations of the Company.

The Headmaster oversees the recruitment of all educational staff, whilst, under delegated authority, the Business Manager oversees the recruitment of administrative and non-teaching support staff. The Headmaster, Head of the Prep School and Business Manager attend Governors' meetings.

**f. Related party relationships**

None of the Governors received remuneration or other benefits from their work with the Company. Any contractual relationships must be disclosed, and notes of interest are retained in declarations of interests.

One of the governors, Mr R Guthrie, is a Governor and person with significant control of Broadland Properties Limited. During the year a sum of £60,000 (2022: £60,000) was paid to Broadland Properties for property rental on an arm's length basis.

Three Governors had children enrolled in the Company during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £80,100 (2022: £89,212). This does not affect their capability to make independent and fair decisions but, if there is a specific situation where there may be conflicted interests, Governors will remove themselves from meetings.

During the year, the athletics track on the Company's Bramcote site was completed. This has been donated by a related party, Bramcote Athletics Ltd. Richard Guthrie, a Governor of the Company. An element of Bramcote Sports Centre has, post year end, been leased to Bramcote Athletics on a long lease, with approval by the Charities Commission.

**g. Key Management Personnel**

The Governors consider that they, together with the Headmaster, The Business Manager and the Prep School Headmaster comprise the key management personnel (see note 14 to the accounts). The Governors give up their time freely and the pay and the remuneration of the Headmaster and senior staff is set by the Board and is kept under annual review.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Structure, governance and management (continued)**

**h. Pay policy for senior staff**

The Company operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools. This allows the Company to remain an attractive employer in the independent school sector.

The bands are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the Company and increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

**i. Risk management**

The Governors and the Board of Scarborough College, with assistance from the Company's Finance and Management Committee, have examined the principal areas of the Company's operations and have considered the major areas of strategic, operational, and business risk which the Company faces. The Governors actively review the major risks that may arise on a regular basis, as well as the systems and procedures established to manage them, ensuring that those risks already identified can be mitigated. All the identified risks are contained within the Company Risk Management Summary.

The Governors considers the economic turbulence in recent years, political uncertainty, and the possible changes to arrangements regarding VAT or Business Rates and the affordability of fees by parents across the independent sector to be the major risks faced by the Company. The Board continue to closely monitor the situation and scenario planning work is ongoing.

**j. Future Plans**

The Governor's intend to continue their strategies of maintaining the Company's position in a competitive market by investing to provide high quality education for our pupils. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided.

The Headmaster and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for our pupil's development.

The Governors need to maintain an equitable balance ensuring our current pupils' benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils in the same way as our current pupils benefit today from past investment.

We have a programme of planned maintenance and investment with the upgrading of our sport facilities, art block, theatre and science laboratories a priority alongside the continued investment in our boarding provision.

**Disclosure of information to auditors**

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

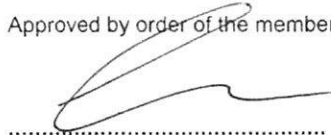
**Auditors**

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. A motion will be proposed by the Govenors to reappoint the Auditors.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

Approved by order of the members of the board of Governors and signed on their behalf by:



.....  
**Mr G Robinson**  
Governor

Date:

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF GOVERNORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2023**

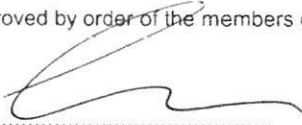
The Governors are responsible for preparing the Governors' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Governors and signed on its behalf by:

  
.....  
**Mr G Robinson**  
Governor

Date:

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**

**Opinion**

We have audited the financial statements of Scarborough College Limited (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 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 requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
(CONTINUED)

**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of governors**

As explained more fully in the Governors' responsibilities statement, the Governors 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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
(CONTINUED)

**Auditors' responsibilities for the audit of the financial statements**

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with governors, and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non compliance throughout the audit.

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

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

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

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
(CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Huw Nicholls (Senior statutory auditor)**  
for and on behalf of  
**Armstrong Watson Audit Limited**  
Chartered Accountants & Statutory Auditors  
Leeds

Date: 09/04/2024

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2023**

|   | Note | Unrestricted<br>funds<br>2023<br>£ | Restricted<br>funds<br>2023<br>£ | Endowment<br>funds<br>2023<br>£ | Total<br>funds<br>2023<br>£ | Total<br>funds<br>2022<br>£ |
|---|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| <b>Income and endowments from:</b>                                  |      |                                    |                                  |                                 |                             |                             |
| Donations and legacies  | 4    | 93,608                             | -                                | -                               | 93,608                      | 767,624                     |
| Charitable activities   | 5    | 6,879,494                          | 147,118                          | -                               | 7,026,612                   | 6,275,488                   |
| Other trading activities  | 6    | 415,706                            | -                                | -                               | 415,706                     | 313,622                     |
| Investments   | 7    | 82                                 | -                                | -                               | 82                          | 742                         |
| Other income  | 8    | -                                  | -                                | -                               | -                           | 4,364                       |
| <b>Total income and endowments</b>                                  |      | <b>7,388,890</b>                   | <b>147,118</b>                   | <b>-</b>                        | <b>7,536,008</b>            | <b>7,361,840</b>            |
| <b>Expenditure on:</b>  |      |                                    |                                  |                                 |                             |                             |
| Raising funds   | 9    | 422,680                            | -                                | -                               | 422,680                     | 351,032                     |
| Charitable activities   | 10   | 7,092,010                          | 147,029                          | -                               | 7,239,039                   | 6,338,090                   |
| Other expenditure   | 11   | 81,713                             | -                                | -                               | 81,713                      | 348,122                     |
| <b>Total expenditure</b>  |      | <b>7,596,403</b>                   | <b>147,029</b>                   | <b>-</b>                        | <b>7,743,432</b>            | <b>7,037,244</b>            |
| <b>Net (expenditure)/income</b>                                     |      | <b>(207,513)</b>                   | <b>89</b>                        | <b>-</b>                        | <b>(207,424)</b>            | <b>324,596</b>              |
| Revaluation   | 22   | 662,849                            | -                                | -                               | 662,849                     | -                           |
| <b>Net movement in funds before other recognised gains/(losses)</b> |      | <b>455,336</b>                     | <b>89</b>                        | <b>-</b>                        | <b>455,425</b>              | <b>324,596</b>              |
| <b>Other recognised gains/(losses):</b>                             |      |                                    |                                  |                                 |                             |                             |
| Actuarial gains on defined benefit pension schemes                  |      | 18,245                             | -                                | -                               | 18,245                      | 24,776                      |
| <b>Net movement in funds</b>  |      | <b>473,581</b>                     | <b>89</b>                        | <b>-</b>                        | <b>473,670</b>              | <b>349,372</b>              |
| <b>Reconciliation of funds:</b>                                     |      |                                    |                                  |                                 |                             |                             |
| Total funds brought forward   |      | 2,649,682                          | 74,874                           | 102                             | 2,724,658                   | 2,375,286                   |
| Net movement in funds   |      | 473,581                            | 89                               | -                               | 473,670                     | 349,372                     |
| <b>Total funds carried forward</b>                                  |      | <b>3,123,263</b>                   | <b>74,963</b>                    | <b>102</b>                      | <b>3,198,328</b>            | <b>2,724,658</b>            |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 49 form part of these financial statements.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)  
REGISTERED NUMBER: 00050404

**BALANCE SHEET**  
AS AT 31 AUGUST 2023

|   | Note | 2023<br>£   | 2022<br>£   |
|---|------|-------------|-------------|
| <b>Fixed assets</b>                                     |      |             |             |
| Intangible assets                                       | 16   | 21,274      | 28,694      |
| Tangible assets   | 17   | 9,163,712   | 7,910,735   |
|   |      | 9,184,986   | 7,939,429   |
| <b>Current assets</b>                                   |      |             |             |
| Debtors   | 18   | 5,641,596   | 5,074,145   |
| Cash at bank and in hand                                |      | 885,677     | 1,282,953   |
|   |      | 6,527,273   | 6,357,098   |
| Creditors: amounts falling due within one year          | 19   | (9,709,401) | (8,562,183) |
| <b>Net current liabilities</b>                          |      | (3,182,128) | (2,205,085) |
| <b>Total assets less current liabilities</b>            |      | 6,002,858   | 5,734,344   |
| Creditors: amounts falling due after more than one year | 20   | (2,508,543) | (2,582,335) |
| Provisions for liabilities                              |      | (295,987)   | (427,351)   |
| <b>Net assets excluding pension asset</b>               |      | 3,198,328   | 2,724,658   |
| <b>Total net assets</b>                                 |      | 3,198,328   | 2,724,658   |

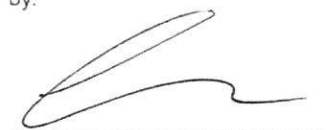
**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)  
REGISTERED NUMBER: 00050404

**BALANCE SHEET (CONTINUED)**  
AS AT 31 AUGUST 2023

|                          | Note | 2023<br>£        | 2022<br>£        |
|--------------------------|------|------------------|------------------|
| <b>Charity funds</b>     |      |                  |                  |
| Endowment funds          | 22   | 102              | 102              |
| Restricted funds:        |      |                  |                  |
| Peggy Bailey Legacy      | 22   | 73,470           | 73,470           |
| Early Years              | 22   | 393              | 304              |
| Cricket Pavilion Fund    | 22   | 1,100            | 1,100            |
| Total restricted funds   | 22   | 74,963           | 74,874           |
| Unrestricted funds       |      |                  |                  |
| Called up share capital  | 22   | 5,507            | 5,507            |
| General funds            | 22   | 2,439,667        | 2,628,935        |
| Revaluation reserve      | 22   | 678,089          | 15,240           |
| Total unrestricted funds | 22   | 3,123,263        | 2,649,682        |
| <b>Total funds</b>       |      | <b>3,198,328</b> | <b>2,724,658</b> |

The Governors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



.....  
**Mr G Robinson**  
Governor



.....  
**Mr A S Green**  
Governor

Date:

The notes on pages 23 to 49 form part of these financial statements.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

|   | Note | 2023<br>£        | 2022<br>£        |
|---|------|------------------|------------------|
| <b>Cash flows from operating activities</b>             |      |                  |                  |
| Net cash generated in operating activities              | 25   | 611,130          | 530,848          |
| <b>Cash flows from investing activities</b>             |      |                  |                  |
| Interest received                                       |      | 82               | 742              |
| Purchase of intangible assets                           |      | (3,495)          | (229,137)        |
| Purchase of tangible fixed assets                       |      | (792,730)        | (125,617)        |
| <b>Net cash used in investing activities</b>            |      | <b>(796,143)</b> | <b>(354,012)</b> |
| <b>Cash flows from financing activities</b>             |      |                  |                  |
| Loan repayments   |      | (75,123)         | (75,701)         |
| Capital repayments                                      |      | (120)            | (120)            |
| Interest paid   |      | (137,020)        | -                |
| <b>Net cash used in financing activities</b>            |      | <b>(212,263)</b> | <b>(75,821)</b>  |
| <b>Change in cash and cash equivalents in the year</b>  |      | <b>(397,276)</b> | <b>101,015</b>   |
| Cash and cash equivalents at the beginning of the year  |      | 1,282,953        | 1,181,938        |
| <b>Cash and cash equivalents at the end of the year</b> | 26   | <b>885,677</b>   | <b>1,282,953</b> |

The notes on pages 23 to 49 form part of these financial statements

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**1. General information**

Scarborough College Limited ("the Company") is a private limited company incorporated in England. The address of the Company's registered office and principal place of business is Scarborough College, Filey Road, Scarborough, North Yorkshire, YO11 3BA.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The Governors are satisfied that the going concern basis is appropriate for the preparation of the financial statements due to the net asset position of the Charity and the availability of sufficient cash reserves to meet liabilities as they fall due. The Governors are confident that reserves will remain sufficient to meet the Charity's needs into the 2023-24 financial year.

In reaching their conclusion, the Governors have considered cash flows covering a period of 12 months from the date of sign off, including any funding to support the organisation. They have also considered future strategic and operational objectives for the ensuing 12 months and have considered and applied sensitivity analysis on the forecasts as appropriate.

As a consequence, the Governors believe that the charity is well placed to manage its financial risks successfully despite the current challenging and unpredictable economic outlook. The Governors have a reasonable expectation that the charity has adequate reserves to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of signing of these financial statements. Accordingly, the Governors continue to adopt the going concern basis in preparing the accounts.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**2. Accounting policies (continued)**

**2.3 Income**

Fees receivable, and charges for services and use of the premises, are accounted for in the academic year in which the service is provided. Fees receivable are after deduction of bursaries and allowances. Where fees are received in advance they are deferred until the criteria for income recognition are met. Donations and other income are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Legacies**

Entitlement is when income is probable and measurable. A legacy receipt is normally probable when there has been a grant of probate, executors have established that there are sufficient assets, and any conditions attached to the legacy are in control or met by the charity. A legacy is measurable when it can be measured or estimated with sufficient reliability.

**Grants receivable**

Grant income is recognised once both the income recognition criteria and terms and conditions attached to the grant are met. Grants receivable as compensation for expenses or losses already incurred, or for the purpose of receiving immediate financial support are recognised in other operating income in the period in which they become receivable.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure accounted for on an accruals basis is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs that contribute to more than one activity and support costs that are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities that further the Company's objectives, as well as any associated support costs.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

All expenditure is inclusive of irrecoverable VAT.

**Allocation of Support Costs**

Support costs are those functions that assist the work of the Company but do not directly undertake charitable activity. Support costs include the costs of office salaries and governance costs which support the Company in the provision of education. The bases on which support costs have been allocated are set out in note 12.

**2.5 Research and development**

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Statement of Financial Activities.

**2.6 Intangible assets and amortisation**

Intangible assets comprise of a marketing film and website development costs, both of which are being amortised over their useful estimated lives of five years. Website development costs are capitalised on the basis that they meet the recognition criteria of an asset, namely that future economic benefits will flow to the entity.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life within expenditure on charitable activities heading within the Statement of Financial Activities.

The estimated useful lives are as follows:

|                           |           |
|---------------------------|-----------|
| Marketing film            | - 5 years |
| Website Development Costs | - 5 years |

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**2. Accounting policies (continued)**

**2.7 Tangible fixed assets and depreciation (continued)**

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

|                               |   |                                  |
|-------------------------------|---|----------------------------------|
| Freehold property             | - | 0%-4% Straight line              |
| Short-term leasehold property | - | Over the term of the lease       |
| Fixtures and fittings         | - | 2%, 5%, 10% or 20% straight line |
| Equipment                     | - | 5% straight line                 |

Each financial year the Governors review the treatment of each class of asset during that year.

Previously it was deemed that only Weaponness House, which is included in the land and building asset heading, should be depreciated to write it down to its value as it was deemed to be impaired.

This has now been revised and the Governors deem it necessary to commence depreciation of all assets within the Land and Property classification, in line with the provisions of FRS 102. This would result in a depreciation adjustment being processed in the financial year ended 2023. The estimate useful life of land and buildings has been deemed to be 100 years.

There is no specific capitalisation threshold for tangible fixed assets. Impairment reviews are undertaken annually for freehold land and buildings and for other assets when there is indication an asset may be impaired.

**2.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.10 Liabilities**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**2. Accounting policies (continued)**

**2.11 Financial instruments**

The Company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.12 Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.13 Pensions**

The Company participates and where necessary contributes into the Independent Schools' Pension defined benefit schemes at rates set by the schemes' actuaries. The scheme is a multi-employer pension scheme, as a result of which it is neither possible nor appropriate to identify the assets and liabilities of the scheme which are attributable to the Company. Contributions are charged in the financial statements in the period when they fall due. When 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 Company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2020.

**2.14 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Endowment funds are a prize giving fund, and represents monies held for the endowment of a prize.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**3. Critical accounting estimates and areas of judgment**

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a heightened risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Bad Debt Provision**

The Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 18 for the net carrying amount of the debtors and associated impairment provision.

**Provision against liabilities**

Provisions are recognised when there is a present obligation as a result of a past event, where transfer of economic benefits is probable to settle the obligation and this can be reliably measured. The entity makes use of available relevant legal expertise to establish whether quantum can be reliably measured in such cases. Based on this information, the Company makes a provision based on the best estimate of the amount potentially required to settle the obligation including costs, taking into account the time value of money where material.

The Governors do not consider that any other judgements, estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Pension Liability**

The Company has an obligation to pay benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends. See note 29 for the disclosures relating to the pension scheme.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**4. Income from donations and legacies**

|           | <b>Unrestricted<br/>funds<br/>2023<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b>      |
|-----------|--|--|
| Donations | 93,608                                       | <b>93,608</b>                              |
|           | <hr style="border-top: 3px double #000;"/>   | <hr style="border-top: 3px double #000;"/> |
|           | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b>      |
| Donations | 767,624                                      | 767,624                                    |
|           | <hr style="border-top: 3px double #000;"/>   | <hr style="border-top: 3px double #000;"/> |

Included within the income from donations is an amount of £93,608 which relates to a donation from a related party for the construction of an athletics track on the Company's Bramcote site.

**5. Income from charitable activities**

|  | <b>Unrestricted<br/>funds<br/>2023<br/>£</b> | <b>Restricted<br/>funds<br/>2023<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b>      |
|--|--|--|--|
| Fees generated from the Provision of Education | 6,879,494                                    | 147,118                                    | <b>7,026,612</b>                           |
|  | <hr style="border-top: 3px double #000;"/>   | <hr style="border-top: 3px double #000;"/> | <hr style="border-top: 3px double #000;"/> |
|  | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Restricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b>      |
| Fees generated from the Provision of Education | 6,165,676                                    | 109,812                                    | 6,275,488                                  |
|  | <hr style="border-top: 3px double #000;"/>   | <hr style="border-top: 3px double #000;"/> | <hr style="border-top: 3px double #000;"/> |

The income from school fees was £7,026,612 (2022: 6,275,488) of which of £6,879,494 (2022: £6,156,676) was unrestricted and £147,118 (2022: £109,812) was restricted. Included within restricted funds is early years funding to fund early years education of pupils aged between 3 and 5 years old.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**6. Income from other trading activities**

**Income from non charitable trading activities**

|                                  | <b>Unrestricted<br/>funds<br/>2023<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b> |
|----------------------------------|--|---------------------------------------|
| Other Trading Income             | 106,984                                      | <b>106,984</b>                        |
| School Holiday and Hiring Income | 21,365                                       | <b>21,365</b>                         |
| Special Educational Needs Income | 141,434                                      | <b>141,434</b>                        |
| Bus Income                       | 145,923                                      | <b>145,923</b>                        |
|                                  | 415,706                                      | <b>415,706</b>                        |
|                                  | 415,706                                      | <b>415,706</b>                        |
|                                  | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
| Other Trading Income             | 46,744                                       | 46,744                                |
| School Holiday and Hiring Income | 31,462                                       | 31,462                                |
| Special Educational Needs Income | 98,578                                       | 98,578                                |
| Bus Income                       | 123,463                                      | 123,463                               |
| Registration Fees                | 13,375                                       | 13,375                                |
|                                  | 313,622                                      | 313,622                               |
|                                  | 313,622                                      | 313,622                               |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**7. Investment income**

|                          | <b>Unrestricted<br/>funds<br/>2023<br/>£</b> | <b>Total<br/>funds<br/>2023<br/>£</b> |
|--------------------------|--|---------------------------------------|
| Deposit Account Interest | 82   | 82                                    |
|                          | 82   | 82                                    |

|                          | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|--------------------------|--|---------------------------------------|
| Deposit Account Interest | 742  | 742                                   |
|                          | 742  | 742                                   |

**8. Other incoming resources**

|                  | <b>Total<br/>funds<br/>2023<br/>£</b> |
|------------------|---------------------------------------|
| Insurance claims | -                                     |
|                  | -                                     |

|                  | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|------------------|--|---------------------------------------|
| Insurance claims | 4,364  | 4,364                                 |
|                  | 4,364  | 4,364                                 |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**9. Expenditure on raising funds**

**Fundraising trading expenses**

|                      | Unrestricted<br>funds<br>2023<br>£ | Total<br>funds<br>2023<br>£ |
|----------------------|------------------------------------|-----------------------------|
| Loan Interest        | 137,020                            | 137,020                     |
| Bank Charges         | 21,805                             | 21,805                      |
| Bad Debts            | 22,049                             | 22,049                      |
| Agent commission     | 236,610                            | 236,610                     |
| Debt collection fees | 5,196                              | 5,196                       |
|                      | <u>422,680</u>                     | <u>422,680</u>              |

**Fundraising trading expenses (continued)**

|                      | Unrestricted<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ |
|----------------------|------------------------------------|-----------------------------|
| Loan Interest        | 125,614                            | 125,614                     |
| Bank Charges         | 20,760                             | 20,760                      |
| Bad Debts            | (4,656)                            | (4,656)                     |
| Agent commission     | 204,150                            | 204,150                     |
| Debt collection fees | 5,161                              | 5,161                       |
| Other interest       | 3                                  | 3                           |
|                      | <u>351,032</u>                     | <u>351,032</u>              |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**10. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                        | Unrestricted<br>funds<br>2023<br>£ | Restricted<br>funds<br>2023<br>£ | Total<br>2023<br>£ |
|------------------------|------------------------------------|----------------------------------|--------------------|
| Provision of Education | 7,092,010                          | 147,029                          | <b>7,239,039</b>   |

|                        | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Total<br>2022<br>£ |
|------------------------|------------------------------------|----------------------------------|--------------------|
| Provision of Education | 6,227,278                          | 110,812                          | 6,338,090          |

**11. Other expenditure**

|                      | Unrestricted<br>funds<br>2023<br>£ | Total<br>funds<br>2023<br>£ |
|----------------------|------------------------------------|-----------------------------|
| Historic Legal Claim | 81,713                             | <b>81,713</b>               |

|                      | Unrestricted<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ |
|----------------------|------------------------------------|-----------------------------|
| Historic Legal Claim | 348,122                            | 348,122                     |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**12. Analysis of expenditure by activities**

|                        | Activities<br>undertaken<br>directly<br>2023<br>£ | Support<br>costs<br>2023<br>£ | Total<br>funds<br>2023<br>£ |
|------------------------|---|-------------------------------|-----------------------------|
| Provision of Education | 6,099,001   | 1,140,038                     | <b>7,239,039</b>            |

|                        | Activities<br>undertaken<br>directly<br>2022<br>£ | Support<br>costs<br>2022<br>£ | Total<br>funds<br>2022<br>£ |
|------------------------|---|-------------------------------|-----------------------------|
| Provision of Education | 5,301,794   | 1,036,296                     | 6,338,090                   |

**Analysis of support costs**

|  | Total<br>funds<br>2023<br>£ | Total<br>funds<br>2022<br>£ |
|--|-----------------------------|-----------------------------|
| Staff costs                              | 506,636                     | 416,623                     |
| Staff superannuation                     | 21,207                      | 16,535                      |
| HR Services                              | 24,429                      | 8,066                       |
| Advertising                              | 172,051                     | 163,722                     |
| Telephone                                | 44,017                      | 49,081                      |
| Postage                                  | 90,056                      | 90,303                      |
| Vehicles                                 | 120,054                     | 204,358                     |
| Auditors remuneration                    | 12,600                      | 10,650                      |
| Auditors remuneration for non audit work | 2,000                       | 1,995                       |
| Governors indemnity insurance            | 3,423                       | 3,111                       |
| Legal and professional fees              | 118,787                     | 52,712                      |
| Amortisation                             | 10,915                      | 10,332                      |
| Depreciation                             | 13,863                      | 8,808                       |
|  | <b>1,140,038</b>            | <b>1,036,296</b>            |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**13. Auditors' remuneration**

|   | 2023<br>£ | 2022<br>£ |
|---|-----------|-----------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts              | 12,600    | 10,650    |
| Fees payable to the Company's auditor in respect of:<br>All non-audit services not included above | 2,000     | 1,995     |
|   | 4,600     | 13,635    |

**14. Staff costs**

|  | 2023<br>£ | 2022<br>£ |
|--|-----------|-----------|
| Wages and salaries                                 | 3,686,395 | 3,158,819 |
| Social security costs                              | 345,471   | 293,942   |
| Operating costs of defined benefit pension schemes | 403,767   | 364,140   |
|  | 4,435,633 | 3,816,901 |

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The key management personnel of the Company comprise the Governors, the Headmaster, the Headmaster of the Prep School and the Business Manager. The total employee benefits, including employer pension contributions, of the key management personnel of the Company were £293,280 (2022: £290,121).

The average number of persons employed by the Company during the year was as follows:

|                             | 2023<br>No. | 2022<br>No. |
|-----------------------------|-------------|-------------|
| Tuition                     | 80          | 73          |
| Administration and Services | 59          | 56          |
|                             | 139         | 129         |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                                 | 2023<br>No. | 2022<br>No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000   | 2           | 1           |
| In the band £70,001 - £80,000   | 1           | -           |
| In the band £100,001 - £110,000 | -           | 1           |
| In the band £120,001 - £130,000 | 1           | -           |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**15. Governors' remuneration and expenses**

During the year, no Governors received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Governor expenses have been incurred (2022 - £NIL).

**16. Intangible assets**

|                       | Marketing<br>Film<br>£ | Website<br>Development<br>Costs<br>£ | Total<br>£ |
|-----------------------|------------------------|--------------------------------------|------------|
| <b>Cost</b>           |                        |                                      |            |
| At 1 September 2022   | 46,684                 | 24,635                               | 71,319     |
| Additions             | 3,495                  | -                                    | 3,495      |
| At 31 August 2023     | 50,179                 | 24,635                               | 74,814     |
| <b>Amortisation</b>   |                        |                                      |            |
| At 1 September 2022   | 28,665                 | 13,960                               | 42,625     |
| Charge for the year   | 5,988                  | 4,927                                | 10,915     |
| At 31 August 2023     | 34,653                 | 18,887                               | 53,540     |
| <b>Net book value</b> |                        |                                      |            |
| At 31 August 2023     | 15,526                 | 5,748                                | 21,274     |
| At 31 August 2022     | 18,019                 | 10,675                               | 28,694     |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**17. Tangible fixed assets**

|                           | Freehold<br>property<br>£ | Short<br>leasehold<br>improv'mts<br>£ | Fixtures and<br>fittings<br>£ | Assets<br>under<br>construction<br>£ | Total<br>£        |
|---------------------------|---------------------------|---------------------------------------|-------------------------------|--------------------------------------|-------------------|
| <b>Cost or valuation</b>  |                           |                                       |                               |                                      |                   |
| At 1 September 2022       | 6,726,445                 | 88,461                                | 4,004,349                     | 767,323                              | 11,586,578        |
| Additions                 | -                         | -                                     | 681,546                       | 196,442                              | 877,988           |
| Disposals                 | -                         | -                                     | (955)                         | -                                    | (955)             |
| Transfers between classes | -                         | -                                     | 852,581                       | (852,581)                            | -                 |
| Revaluations              | 283,555                   | -                                     | -                             | -                                    | 283,555           |
| At 31 August 2023         | <u>7,010,000</u>          | <u>88,461</u>                         | <u>5,537,521</u>              | <u>111,184</u>                       | <u>12,747,166</u> |
| <b>Depreciation</b>       |                           |                                       |                               |                                      |                   |
| At 1 September 2022       | 379,294                   | 21,559                                | 3,274,990                     | -                                    | 3,675,843         |
| Charge for the year       | -                         | 6,226                                 | 280,679                       | -                                    | 286,905           |
| On revalued assets        | (379,294)                 | -                                     | -                             | -                                    | (379,294)         |
| At 31 August 2023         | <u>-</u>                  | <u>27,785</u>                         | <u>3,555,669</u>              | <u>-</u>                             | <u>3,583,454</u>  |
| <b>Net book value</b>     |                           |                                       |                               |                                      |                   |
| At 31 August 2023         | <u>7,010,000</u>          | <u>60,676</u>                         | <u>1,981,852</u>              | <u>111,184</u>                       | <u>9,163,712</u>  |
| At 31 August 2022         | <u>6,347,151</u>          | <u>66,902</u>                         | <u>729,359</u>                | <u>767,323</u>                       | <u>7,910,735</u>  |

Freehold properties totalling £7,010,000 (2022: £6,347,151) have been pledged as security for liabilities.

**18. Debtors**

|                                     | 2023<br>£        | 2022<br>£        |
|-------------------------------------|------------------|------------------|
| <b>Due after more than one year</b> |                  |                  |
| Trade debtors                       | 59,404           | 95,882           |
|                                     | <u>59,404</u>    | <u>95,882</u>    |
| <b>Due within one year</b>          |                  |                  |
| Trade debtors                       | 5,325,985        | 4,746,722        |
| Other debtors                       | 62,526           | 42,209           |
| Prepayments and accrued income      | 193,681          | 189,332          |
|                                     | <u>5,641,596</u> | <u>5,074,145</u> |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**19. Creditors: Amounts falling due within one year**

|   | 2023             | 2022             |
|---|------------------|------------------|
|   | £                | £                |
| Bank loans  | 76,203           | 77,654           |
| Trade creditors   | 418,758          | 289,626          |
| Other taxation and social security                          | 82,020           | 71,985           |
| Obligations under finance lease and hire purchase contracts | 120              | 120              |
| Other creditors   | 1,077,452        | 1,323,506        |
| Accruals and deferred income                                | 8,054,848        | 6,799,292        |
|   | <b>9,709,401</b> | <b>8,562,183</b> |
|   | <b>9,709,401</b> | <b>8,562,183</b> |

Deferred income comprises school fees paid in advance for the next school year. The balance included within creditors relates to amounts deferred during the reporting period of £8,023,905 (2022: £6,751,852), with amounts being released to the Statement of Financial Activities of £6,799,292 (2022: £5,955,302).

**20. Creditors: Amounts falling due after more than one year**

|   | 2023             | 2022             |
|---|------------------|------------------|
|   | £                | £                |
| Bank loans  | 2,506,983        | 2,580,655        |
| Net obligations under finance lease and hire purchase contracts | 1,560            | 1,680            |
|   | <b>2,508,543</b> | <b>2,582,335</b> |
|   | <b>2,508,543</b> | <b>2,582,335</b> |

Bank borrowings at the year end total £2,583,186. The original bank loan is repayable in 300 consecutive monthly instalments representing principal and interest, which commenced in May 2016. The rate of interest payable on the loan is Base Rate plus 4.2% per annum. The loan matures in 2041. Further loan advances were obtained for the re-development of Weaponness House, which are repayable in 288 consecutive monthly instalments representing principal and interest and repayments commenced in April 2019. The rate of the interest payable on this loan is fixed at 4.52% per annum and it matures in 2043.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**21. Provisions**

|                     | Legal<br>Provision<br>£ | Pension<br>provision<br>£ | Total<br>£     |
|---------------------|-------------------------|---------------------------|----------------|
| At 1 September 2022 | 89,840                  | 337,511                   | 427,351        |
| Additions           | 73,660                  | (41,524)                  | 32,136         |
| Amounts used        | (163,500)               | -                         | (163,500)      |
|                     | <u>-</u>                | <u>295,987</u>            | <u>295,987</u> |

Following the part conclusion of an ongoing litigation case surrounding the historic use of a since demolished building, a transfer has been made from the provision, previously made, of £705,256 to creditors for the known settlement amount. As at the date of signing, the case has been settled, with a remaining balance of £158,500, having been paid, the balancing £5,000 is for legal expenses. The entity is taking advantage of the available exemptions under Section 10.83 of Charities SORP (FRS 102) on the grounds that it could be prejudicial to the outcome of this case to disclose further information.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**22. Statement of funds**

**Statement of funds - current year**

|                                 | Balance at 1<br>September<br>2022<br>£ | Income<br>£             | Expenditure<br>£          | Revaluation<br>£      | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2023<br>£ |
|---------------------------------|--|-------------------------|---------------------------|-----------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>       |  |                         |                           |                       |                         |                                      |
| <b>Called up share capital</b>  |  |                         |                           |                       |                         |                                      |
| Called up share capital         | 5,507                                  | -                       | -                         | -                     | -                       | 5,507                                |
| <b>General funds</b>            |  |                         |                           |                       |                         |                                      |
| General Funds - all funds       | 2,628,935                              | 7,388,890               | (7,596,403)               | -                     | 18,245                  | 2,439,667                            |
| Revaluation reserve             | 15,240                                 | -                       | -                         | 662,849               | -                       | 678,089                              |
|                                 | <u>2,644,175</u>                       | <u>7,388,890</u>        | <u>(7,596,403)</u>        | <u>662,849</u>        | <u>18,245</u>           | <u>3,117,756</u>                     |
| <b>Total Unrestricted funds</b> | <u>2,649,682</u>                       | <u>7,388,890</u>        | <u>(7,596,403)</u>        | <u>662,849</u>        | <u>18,245</u>           | <u>3,123,263</u>                     |
| <b>Endowment funds</b>          |  |                         |                           |                       |                         |                                      |
| Endowment Funds - all funds     | 102                                    | -                       | -                         | -                     | -                       | 102                                  |
| <b>Restricted funds</b>         |  |                         |                           |                       |                         |                                      |
| Peggy Bailey Legacy             | 73,470                                 | -                       | (5,004)                   | -                     | -                       | 68,466                               |
| Early Years                     | 304                                    | 147,118                 | (142,025)                 | -                     | -                       | 5,397                                |
| Cricket Pavillion Fund          | 1,100                                  | -                       | -                         | -                     | -                       | 1,100                                |
|                                 | <u>74,874</u>                          | <u>147,118</u>          | <u>(147,029)</u>          | <u>-</u>              | <u>-</u>                | <u>74,963</u>                        |
| <b>Total of funds</b>           | <u><u>2,724,658</u></u>                | <u><u>7,536,008</u></u> | <u><u>(7,743,432)</u></u> | <u><u>662,849</u></u> | <u><u>18,245</u></u>    | <u><u>3,198,328</u></u>              |

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**22. Statement of funds (continued)**

The endowment fund is a prize giving fund, and represents monies held for the endowment of a prize.

The Peggy Bailey Legacy fund represents monies donated to the Company restricted to the endowment of an award, prize of scholarship for students.

In regards to the other restricted funds, one of our sixth form students received a scholarship which related to the Peggy Bailey Legacy, totalling £5,004.

The Early Years fund represents Government funding received for the education of pupils aged 3 to 5 years.

The Cricket Pavilion Fund represents monies donated to the Company towards the cost of rebuilding a new pavilion within the grounds of the Company, following a fire which completely destroyed the previous building.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**22. Statement of funds (continued)**

**Statement of funds - prior year**

|                                 | Balance at<br>1 September<br>2021<br>£ | Income<br>£             | Expenditure<br>£          | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2022<br>£ |
|---------------------------------|--|-------------------------|---------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>       |  |                         |                           |                         |                                      |
| <b>Called up share capital</b>  |  |                         |                           |                         |                                      |
| Called up share capital         | 5,507                                  | -                       | -                         | -                       | 5,507                                |
| <b>General funds</b>            |  |                         |                           |                         |                                      |
| General Funds                   | 2,278,563                              | 7,252,028               | (6,926,432)               | 24,776                  | 2,628,935                            |
| Revaluation reserve             | 15,240                                 | -                       | -                         | -                       | 15,240                               |
|                                 | <u>2,293,803</u>                       | <u>7,252,028</u>        | <u>(6,926,432)</u>        | <u>24,776</u>           | <u>2,644,175</u>                     |
| <b>Total Unrestricted funds</b> | <u>2,299,310</u>                       | <u>7,252,028</u>        | <u>(6,926,432)</u>        | <u>24,776</u>           | <u>2,649,682</u>                     |
| <b>Endowment funds</b>          |  |                         |                           |                         |                                      |
| Endowment Funds - all funds     | 102                                    | -                       | -                         | -                       | 102                                  |
| <b>Restricted funds</b>         |  |                         |                           |                         |                                      |
| Peggy Bailey Legacy             | 73,470                                 | -                       | -                         | -                       | 73,470                               |
| Early Years                     | 1,304                                  | 109,812                 | (110,812)                 | -                       | 304                                  |
| Cricket Pavillion Fund          | 1,100                                  | -                       | -                         | -                       | 1,100                                |
|                                 | <u>75,874</u>                          | <u>109,812</u>          | <u>(110,812)</u>          | <u>-</u>                | <u>74,874</u>                        |
| <b>Total of funds</b>           | <u><u>2,375,286</u></u>                | <u><u>7,361,840</u></u> | <u><u>(7,037,244)</u></u> | <u><u>24,776</u></u>    | <u><u>2,724,658</u></u>              |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**23. Summary of funds**

**Summary of funds - current year**

|                  | Balance at 1<br>September<br>2022<br>£ | Income<br>£      | Expenditure<br>£   | Revaluation<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2023<br>£ |
|------------------|--|------------------|--------------------|------------------|-------------------------|--------------------------------------|
| Designated funds | 5,507                                  | -                | -                  | -                | -                       | 5,507                                |
| General funds    | 2,644,175                              | 7,388,890        | (7,596,403)        | 662,849          | 18,245                  | 3,117,756                            |
| Endowment funds  | 102                                    | -                | -                  | -                | -                       | 102                                  |
| Restricted funds | 74,874                                 | 147,118          | (147,029)          | -                | -                       | 74,963                               |
|                  | <u>2,724,658</u>                       | <u>7,536,008</u> | <u>(7,743,432)</u> | <u>662,849</u>   | <u>18,245</u>           | <u>3,198,328</u>                     |

**Summary of funds - prior year**

|                  | Balance at<br>1 September<br>2021<br>£ | Income<br>£      | Expenditure<br>£   | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2022<br>£ |
|------------------|--|------------------|--------------------|-------------------------|--------------------------------------|
| Designated funds | 5,507                                  | -                | -                  | -                       | 5,507                                |
| General funds    | 2,293,803                              | 7,252,028        | (6,926,432)        | 24,776                  | 2,644,175                            |
| Endowment funds  | 102                                    | -                | -                  | -                       | 102                                  |
| Restricted funds | 75,874                                 | 109,812          | (110,812)          | -                       | 74,874                               |
|                  | <u>2,375,286</u>                       | <u>7,361,840</u> | <u>(7,037,244)</u> | <u>24,776</u>           | <u>2,724,658</u>                     |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**24. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|  | Unrestricted<br>funds<br>2023<br>£ | Restricted<br>funds<br>2023<br>£ | Endowment<br>funds<br>2023<br>£ | Total<br>funds<br>2023<br>£ |
|--|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets                  | 9,163,712                          | -                                | -                               | 9,163,712                   |
| Intangible fixed assets                | 21,274                             | -                                | -                               | 21,274                      |
| Debtors due after more than one year   | 59,404                             | -                                | -                               | 59,404                      |
| Current assets                         | 6,392,804                          | 74,963                           | 102                             | 6,467,869                   |
| Creditors due within one year          | (9,545,901)                        | -                                | -                               | (9,545,901)                 |
| Creditors due in more than one year    | (2,508,543)                        | -                                | -                               | (2,508,543)                 |
| Provisions for liabilities and charges | (459,487)                          | -                                | -                               | (459,487)                   |
| <b>Total</b>                           | <b>3,123,263</b>                   | <b>74,963</b>                    | <b>102</b>                      | <b>3,198,328</b>            |

**Analysis of net assets between funds - prior year**

|  | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Endowment<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ |
|--|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets                  | 7,910,735                          | -                                | -                               | 7,910,735                   |
| Intangible fixed assets                | 28,694                             | -                                | -                               | 28,694                      |
| Debtors due after more than one year   | 95,882                             | -                                | -                               | 95,882                      |
| Current assets                         | 6,186,240                          | 74,874                           | 102                             | 6,261,216                   |
| Creditors due within one year          | (8,562,183)                        | -                                | -                               | (8,562,183)                 |
| Creditors due in more than one year    | (2,582,335)                        | -                                | -                               | (2,582,335)                 |
| Provisions for liabilities and charges | (427,351)                          | -                                | -                               | (427,351)                   |
| <b>Total</b>                           | <b>2,649,682</b>                   | <b>74,874</b>                    | <b>102</b>                      | <b>2,724,658</b>            |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**25. Reconciliation of net movement in funds to net cash flow from operating activities**

|  | 2023<br>£      | 2022<br>£      |
|--|----------------|----------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | (207,424)      | 324,596        |
| <b>Adjustments for:</b>  |                |                |
| Depreciation/amortisation charges  | 297,820        | 383,593        |
| Interest received  | (82)           | (742)          |
| Interest paid  | 137,020        | 125,617        |
| Decrease in stocks   | -              | 7,174          |
| Increase in debtors  | (567,451)      | (755,371)      |
| Increase in creditors  | 1,148,669      | 1,569,185      |
| Increase/ (decrease) in provision  | (131,364)      | (356,461)      |
| Donated fixed assets   | (85,258)       | (767,323)      |
| Loss on disposal of fixed asset  | 955            | 580            |
| Defined benefit pension scheme remeasurement                                   | 18,245         | -              |
| <b>Net cash generated by operating activities</b>                              | <b>611,130</b> | <b>530,848</b> |

**26. Analysis of cash and cash equivalents**

|  | 2023<br>£      | 2022<br>£        |
|--|----------------|------------------|
| Cash in hand                           | 885,677        | 1,282,953        |
| <b>Total cash and cash equivalents</b> | <b>885,677</b> | <b>1,282,953</b> |

**27. Analysis of changes in net debt**

|                          | At 1<br>September<br>2022<br>£ | Cash flows<br>£  | At 31<br>August 2023<br>£ |
|--------------------------|--------------------------------|------------------|---------------------------|
| Cash at bank and in hand | 1,282,953                      | (397,276)        | 885,677                   |
| Debt due within 1 year   | (77,654)                       | 1,451            | (76,203)                  |
| Debt due after 1 year    | (2,580,655)                    | 73,672           | (2,506,983)               |
| Finance leases           | (1,800)                        | 120              | (1,680)                   |
|                          | <b>(1,377,156)</b>             | <b>(322,033)</b> | <b>(1,699,189)</b>        |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**28. Called up share capital**

There are 5,507 Ordinary shares of £1 each which have been allotted, called up and fully paid (2022 same).

Shares carry equal voting rights and each class of share also ranks equally in regard to distributions, including distributions arising from a winding up of the Company.

**29. Pension commitments**

The Company, together with many other independent schools, operates a contributory plan providing defined benefits based on final pensionable pay for its employees. The assets of the plans are held separately from those of the Company. They also operate three defined contribution schemes.

Contributions to three schemes during the year were based on the following percentages of salary:-

|                                     | <b>Employer</b> | <b>Employee</b> | <b>Total</b>  |
|-------------------------------------|-----------------|-----------------|---------------|
| Independent Schools' Pension Scheme | 8%              | 8%              | 16%           |
| Aviva Pension Scheme                | 16.4%           | 7.4% - 11.7%    | 23.8% - 28.1% |
| People's Pension.                   | 3%              | 5%              | 8%            |

The defined benefit pension scheme is a multi-employer pension scheme. As a result of which it is neither possible nor appropriate to identify the assets and liabilities of the schemes which are attributable to the Company. Accordingly the Company has accounted for its contributions as if they were defined contribution schemes.

**Independent Schools' Pension Scheme**

The Company participates in the scheme, which is a multi- employer scheme, and provides benefits to some 66 non-associated employers. 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 with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the Governors and the participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows:

**Deficit Contributions**

From 1 September 2022 to 30 April 2032: £2,687,000 per annum  
(payable monthly and increasing by 3% on each  
1st September)

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**29. Pension commitments (continued)**

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Pension Scheme Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit Contributions**

From 1 September 2019 to 31 April 2030: £2,387,357 per annum  
(payable monthly and increasing by 3% on each  
1st September)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the 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.

|  | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
|  | £              | £              |
| <b>Reconciliation of Opening and Closing Provisions</b>  |                |                |
| Provision at start of period                             | 337,511        | 358,588        |
| Unwinding of the discount factor (interest expense)      | 13,690         | 3,699          |
| Deficit contribution paid                                | (36,969)       | (38,645)       |
| Remeasurements - impact of any change in assumptions     | -              | (56,028)       |
| Remeasurements - amendments to the contribution schedule | (18,245)       | 69,897         |
| <b>Provision at end of period</b>                        | <b>295,987</b> | <b>337,511</b> |
|  | <b>2023</b>    | <b>2022</b>    |
|  | £              | £              |
| <b>Income and Expenditure Impact</b>                     |                |                |
| Interest expense   | 13,690         | 3,699          |
| Remeasurements - impact of any change in assumptions     | -              | (56,028)       |
| Remeasurements - amendments to the contribution schedule | (18,245)       | 69,897         |
|  | <b>(4,555)</b> | <b>17,568</b>  |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**Assumptions**

The discount rates shown below 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.

|                             |                |                |                |
|-----------------------------|----------------|----------------|----------------|
|                             | 31 August 2023 | 31 August 2022 | 31 August 2021 |
| Discount rate (% per annum) | 5.79           | 4.31           | 1.09           |

**30. Operating lease commitments**

At 31 August 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

|   | 2023           | 2022           |
|---|----------------|----------------|
|   | £              | £              |
| <b>Non-cancellable operating leases</b> |                |                |
| Within one year                         | 125,262        | 182,673        |
| Between one and five years              | 384,166        | 399,887        |
| In more than five years                 | 328,979        | 385,093        |
|   | <u>838,407</u> | <u>967,653</u> |

**31. Finance lease commitments**

Minimum lease payments under hire purchase fall due as follows:

|                            | 2023         | 2022         |
|----------------------------|--------------|--------------|
|                            | £            | £            |
| Within one year            | 120          | 120          |
| Between one and five years | 480          | 480          |
| In more than five years    | 1,080        | 1,200        |
|                            | <u>1,680</u> | <u>1,800</u> |

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**32. Related party transactions**

During the year the Company leased a property, on an arm's length basis from Broadland Properties Limited, for £60,000 (2022: £60,000). Mr R Guthrie (a Governor of Scarborough College Limited), is a Director and person with significant control of Broadland Properties Limited.

Three Governors had children enrolled in the Company during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £80,100 (2022: £89,212).

The asset which was, in the prior year, an asset under construction, has now been completed and asset transferred to Equipment. This is the completed athletics track at the Company's Bramcote site. This is leased long term to Bramcoate Athletic Ltd of which Richard Guthrie, a Governor of Scarborough College Limited, is a Director of this company.



**SCARBOROUGH COLLEGE**

England & Wales - Charity number 529686

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# Accounts

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**CONTENTS**

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|   | Page    |
|---|---------|
| <b>Trustees' report</b>   | 1 - 13  |
| <b>Trustees' responsibilities statement</b>                     | 14      |
| <b>Independent auditors' report on the financial statements</b> | 15 - 18 |
| <b>Statement of financial activities</b>                        | 19 - 20 |
| <b>Balance sheet</b>  | 21 - 22 |
| <b>Statement of cash flows</b>                                  | 23      |
| <b>Notes to the financial statements</b>                        | 24 - 53 |

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 September 2021 to 31 August 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard, the Charities Act 2011 and the Companies Act 2006 applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

### **Objectives and Activities**

#### **a. Objectives and Activities**

The objects of the Company, in accordance with its Articles and Memorandum of Association, are to establish and conduct in Scarborough, and elsewhere, a Day and Boarding School or Schools for Boys and Girls (aged 3 to 18 years) in which there shall be given a sound education, combined with a moral and religious input.

#### **b. Aims and Intended Impact**

The Company's vision is to be a recognised leader in British independent education.

#### **c. Mission Statement**

The Company's commitment is to discover and fully realise every child's potential by ensuring that all pupils are seen as individuals whose specific needs are recognised and met. We are dedicated to providing a far-reaching education that goes beyond the boundaries of the classroom, underpinned by strong lifelong values, which inspires academic excellence and ensures pupils are challenged. Regular opportunities to understand their own capabilities through exposure to a broad range of sporting, cultural and creative activities, widens our pupils' horizons and builds their self-confidence. Within our outward-facing, grounded and caring community the relationships that exist nurture tolerant, honest and compassionate people who will make a genuine difference in their futures beyond the confines of our school.

#### **d. Aims of the Company**

Scarborough College seeks:

- To encourage and enable pupils to achieve their academic potential and to foster a climate in which high quality teaching and learning are the upmost priorities.
- To respond to, support, and bring about the aspirations of pupils and their parents, whilst being attentive to their views.
- To consistently provide a high degree of personal care, support and guidance within, and outside of, the formal pastoral structure.
- To promote the acquisition and development of life-long values and 'character'.
- To cultivate and develop in pupils a sense of spirituality, cultural awareness and a moral framework through which they can live a fulfilling and happy life.
- To provide an environment in which pupils feel valued and learn to work co-operatively within a safe and nurturing community.

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Objectives and Activities (continued)**

- To provide regular opportunities for all pupils to engage with a varied co-curricular programme so that they may explore their talents and discover life-long passions.
- To be a caring, supportive and appreciative employer, recognising the work and commitment of all staff whilst facilitating a climate of continual professional development.
- To consistently look for improvements in everything we do, thereby ensuring that the experience all our stakeholders undergo becomes ever more positive and rewarding.

The main objectives remain unchanged and are to achieve excellent public examination results, to continue with the successful work related to the International Baccalaureate programme, to enhance the boarding provision, and to strengthen even further the College's links with the community.

The Scarborough College strategy is to continue to develop the school's facilities, both physical and intellectual, for providing an excellent education for its students. The enhancement of the school facilities will be driven through property development activity which is given in greater detail in the Future Plans section of this report.

**e. Principal Activity**

The principal activity continues to be the provision in Scarborough of independent education for both boarding and day children between the ages of 3 to 18 years old. The Prep School takes boys and girls from 3 – 11 years of age and also operates a pre-school nursery (Little Owls). The Senior School provides for students aged 11 to 18 years. For this academic year the student population was 482, not including younger children attending the nursery.

**f. Volunteers**

The Friends of Scarborough College, and the Old Scardeburgians Association (OSA) both continue to support the College in many ways. Both groups fund raise to support projects in the College including enhancement of the facilities. The OSA also holds regular functions to bring present and past pupils together both through sport and socially. Furthermore, the OSA sponsor scholarships as part of the scholarship and bursary scheme operated by the College. The Board continues to be extremely grateful for all their efforts, and the enthusiastic support of both groups creates a strong bond between the College and parents, helping to strengthen community spirit.

**g. Public Benefit**

The Company remains aware of its responsibility to achieve public benefit by working closely with the local community, whilst also developing links with other schools, charities and local organisations. The Company has complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission.

The Company continues to take a leading role in a number of areas of support to the local community and, in particular, to sports in the Scarborough area. This can be highlighted by a few examples. Further to the council's permission to allow third-party users, the Company will continue to offer the all-weather astro pitch to Scarborough Hockey Club as well as other local clubs for a nominal fee.

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Objectives and Activities (continued)**

During the summer period and other periods outside of term time, the Company actively reaches out to schools, sports clubs and other organisations. Yorkshire County Cricket club and subsidiaries such as the Yorkshire Cricket Development Group make use of both the indoor and outdoor facilities. Various schools can use, and do use, the sporting facilities on Bramcote, Deepdale and the Main College field.

In addition, schools can make use of the performing arts facilities at Lisvane Hall as well as classrooms in the Science block, the visual arts department and other areas of the school. Depending on the nature of the provider, usage is either free of charge or for a nominal fee.

The Company organises a number of events for local primary schools, including, though not limited to, Tykes in Tune performing arts day, CSI Science Day and sports days. Furthermore, the Company offers its minibuses to support schools with transportation of its pupils.

**h. Community Service**

Throughout the College and across all age groups, there is a strong sense of community spirit and service. Outside of school life, numerous students are actively involved in community service and, in addition, many overseas students have been active in or even founded community projects in their own countries and communities. Their enthusiasm and altruistic entrepreneurial spirit inspires and supports other pupils. Examples of charities supported by the staff and pupils are MacMillan, Mellow Yellow, Young Minds, the recent Sunflower Appeal and the international We See You Run in South Africa.

Together with pupils, the Friends of Scarborough College and the Scarborough College Charities Committee; the Company maintains strong ties with several charities in the community as well as nationwide. The Rainbow Centre, in particular, has enjoyed a long relationship with Scarborough College and features throughout on the charities calendar.

Within the Senior School, students are engaged with community service as part of their Duke of Edinburgh's programme of which almost all the eligible students of the Senior School take part in at some point. It is an essential part of the International Baccalaureate Diploma Programme during Sixth Form, where the Creativity, Action and Service (CAS) component of the Diploma Programme encourages students to engage with the world around them.

Charitable donations from fund raising activities amount to £8,162 (2021: £4,445) in the year.

**i. Bursaries and Scholarship awards**

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. Learning occurs through social interaction, conversation and shared experiences which help our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy together with our out-reach work contribute to a widening of access to the education we offer and the facilities we enjoy.

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Objectives and Activities (continued)**

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by Scarborough College. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example, in the case of redundancy. In assessing means the College takes a number of factors into consideration including family income, investments and savings, and family circumstances, for example, dependent relatives and the number of siblings.

Those wishing to be considered for bursary support are required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees is assessed according to the guardians' ability to pay full fees and the availability of bursary funds to the College. Bursary awards are subject to the annual testing of the guardians' means.

This year the value of means tested bursaries totalled £495,913 (2021: £618,881) and represented 10.11% of our gross fees. They provided assistance to 117 pupils, representing 24.3% of the school roll, of which 1 pupil benefited from a full fee remission.

**j. Non means-tested fee remissions**

The purpose of our scholarship awards is to recognise high academic, musical, and sporting potential or ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the aforementioned abilities which will contribute to our co-curricular activities; awards may be subject to conditions. Scholarships are awarded with a fixed remission of fees of between 10% and 100%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. The value of Scholarships in the school year totalled £530,107 (2021: £481,112) awarded to 110 pupils.

Other forms of non means-tested assistance were also awarded during the academic year, including sibling and staff discounts. In total these awards were made to 189 pupils and amounted to £922,613 (2021: £400,683).

The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with abilities. No scholarships were withdrawn in the year as a result of reviews.

**HMC Projects**

In the early 1990s, as communism collapsed in eastern Europe, the Headmasters' and Headmistresses' Conference (HMC) supported a sixth form scholarship scheme to provide educational opportunities for young people in countries that had been behind the Iron Curtain. HMC Projects, as it was called, aimed to identify talented 16 and 17 year olds and give them the opportunity to study and live at a British boarding school. The aim of the scholarship programme is to foster bonds of understanding and friendship between young people across Europe and to give young people from the former communist countries in Central and Eastern Europe an enriching and rewarding experience in some of the best schools in the world. In 2019 Scarborough College first offered a place to a scholar. By 2022 the College had 4 scholars. The value of such Scholarships in the school year totalled £129,108.

**Royal SpringBoard**

Royal SpringBoard is the UK's largest bursary charity, helping disadvantaged and vulnerable children from across the UK to access fully funded bursaries at leading schools. It is a social mobility charity focusing on harnessing the power of educational opportunities at some of the UK's leading schools to benefit young people who need them the most. In 2022 Scarborough College supported 2 pupils from across the UK by giving them access to a life-changing education. The value of such Scholarships in the school year totalled £41,056.

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Objectives and Activities (continued)**

**k. Our ethos; a caring College serving our local community and society**

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education the College provides.

Scarborough College is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the College, and at a level that is consistent with our aim of providing a first class education to boys and girls from all backgrounds of the local community and beyond. To admit a prospective pupil we need to be satisfied that the College will be able to educate and develop him/her to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments and interviews are undertaken to satisfy the College and parents that potential pupils can cope with the pace of learning and benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the assessment process.

The College is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. The College makes reasonable adjustments to meet the needs of staff or pupils who are or become disabled. The College is committed to safeguarding and promoting the welfare of the pupils and expects all staff and volunteers to share this commitment.

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The College maintains regular contact with parents throughout the year through informal contacts and the fortnightly news publications (The Owl). All pupils have a Form Tutor responsible for pastoral care and academic development.

**Strategic report**

**Achievements and performance**

**a. Our successes**

As a non-selective school, Scarborough College is proud to provide students with a world class and all-round education that culminates with students in the Sixth Form studying the International Baccalaureate Diploma Programme (IBDP). It embraces and fosters academic excellence in an atmosphere of involvement, diversity and care.

The public examination results this year continued to be excellent with record breaking GCSE results and equally impressive IBDP results. Sixth Form Students were successful at gaining places at the top universities across the world, with some students earning scholarships to the best universities in the USA, Canada and others securing places at the finest universities in the UK. With an IBDP average of close to 33 points and with a 1/3 of students achieving 36 points or above there was much to celebrate. The average IBDP score equates to over 200 UCAS points. 3 A\* for A Levels equals 168 UCAS points, which highlights the achievements of the students.

The GCSE results were outstanding with 49% of all grades being graded A\* and A (9-7), 20% of all grades awarded were 9s. This was a record number of grade 9s for the College and the overall pass rate was 96% and matched the 2021 GCSE results.

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Strategic report (continued)**

**Achievements and performance (continued)**

In accordance with its mission, the College continues to provide excellent quality in music, art and performing arts lessons, as well as various sports. Both the depth of activities as well as the qualities of the activities is highlighted by the College's Enrichment Programme, Yorkshire Grit and Prep School Holiday Club programmes. Both in the Prep and Senior School we continue to open the doors to exciting, challenging and adventurous opportunities so that our pupils can thrive and develop.

Performing Arts continue to thrive at the College and the 'Gig on Green' has become an annual event where the College showcases the musical, drama and Lamda talent at the College. Lamda has led the way with pupils completing the largest exam series yet with 101 exams completed over two days. Over 100 students are signed up for individual music and singing lessons and once again over a 100 pupils took part in the annual full school production. Each pupil is provided with regular opportunities for examination entry with ABRSM, Trinity, MTB and Rockschoool examinations. The pass rate over the last 5 years has been 99% and 54% passing with merit or distinction. There are a number of choirs performing to a high standard. Again, in the interest of inclusion, most of these choirs are not auditioned, yet still achieve a high standard of performance.

Sport has continued to thrive at the College. The main team sports are hockey, rugby, cricket, netball and rounders, as well as athletics, swimming and tennis. Both boys and girls hockey continue to thrive from the prep school teams to the unbeaten 1st XI. The girls U16s team were crowned North of England Indoor Hockey Champions and they also reached the National Hockey Tier Final where they played at the Olympic Stadium. The boys' rugby teams continue to thrive and in the U15 national bowl competition they reached the last 8 in the country for the second year running. The netball teams also enjoyed district success across various ages and the golf team had some impressive victories, including in the national cup. The 1st XI football team also won their first tournament and tennis continues to develop at the College, with a particularly impressive girls' U15s team. The school continues to thrive on the cricket field with victories against leading schools. The school became one of the top ranked schools in the country by the Cricketer magazine and games against County Academy teams such as Yorkshire are an exciting addition to the fixture card. In various sports pupils benefited from coaching by former International players, including Ryan Sidebottom, Piet Rinke, Craig White, Chris Jones, Nick Clark and Stephen Parry. In addition to driving excellence in sport our focus for participation continues with all pupils having the opportunity to represent their school in the academic year. We have more and more pupils participating in Club sport outside of school and a distinguished number of pupils achieving success on a County, Academy and National level.

Co-curricular activities continue to flourish. Whether it is the daily Enrichment Programme, Yorkshire Grit or the Duke of Edinburgh's Award, more activities are being tried, more pupils are involved and valuable experiences are being created. The annual Lyke Wake Walk for Sixth Form pupils is a great example of pupils embracing the opportunities provided.

The Yorkshire Grit programme continues to challenge pupils in Year 7, 8 and 9. To end Old Scardeburgians (OS) were able to enjoy the Duke of Edinburgh Gold Award Celebration at Buckingham Palace. This was hosted by His Royal Highness, The Earl of Wessex and Forfar (Prince Edward). It was the first time since 2019 that this event had taken place due to COVID. OS pupils Tom, Layla, Hattie, Harry and Ehsaan all attended and highlighted our love of the great outdoors and the contribution of co-curricular activities to our curriculum. This event, is highlighted in the below link in our bi-weekly 'The Owl' newsletter.

**b. Financial Review and Results**

The full financial statements and the Auditor's Report can be found in the accompanying Annual Accounts for the year.

The College produced a surplus in 2021 – 2022 of £349,372. This does include an expense of £24,776 relating to the fair value adjustment on the defined benefit scheme. It is planned that the College will next year be once

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Strategic report (continued)**

**Achievements and performance (continued)**

again in surplus and hoped that this position can be maintained for future years.

The principal source of income is fees accounting for 96% of the College's total income. The Governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of the College.

As a charity the parents of the pupils have the assurance that all income of the College must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains, provided these are applied for our charitable aims. As a charity we are also entitled to an 80% reduction in our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for the educational purposes and indirectly help us to maintain our bursary policy and out-reach programme.

However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits the College brings to our pupils, the local community and society through the education we offer, our bursary programme and our out-reach work create a social asset without a cost to the Government.

**c. Developments and Maintenance**

Major projects included completion of the re-roofing of the main college building. The College carried out extensive works upgrading the fire and lockdown alarms in all of its premises.

Other significant maintenance works have been undertaken during the year as part of the College's prioritised maintenance plan to ensure the College's buildings continue to function fully as intended.

**d. Key Performance Indicators**

|   | 2022  | 2021  | 2020  | 2019  | 2018  |
|---|-------|-------|-------|-------|-------|
| IB exam pass rate   | 88%   | 100%  | 81%   | 80%   | 88%   |
| GCSE pass rate (9-4)  | 95.6% | 96%   | 89%   | 90%   | 89%   |
| Net fee income (£'000)  | 6,275 | 5,431 | 4,709 | 4,888 | 4,416 |
| Non fee income (£'000)  | 1,086 | 258   | 621   | 191   | 264   |
| Net incoming (outgoing) resources before fair value adjustments (£'000) | 325   | (655) | (23)  | (258) | 228   |
| Capital expenditure (£'000)   | 996   | 173   | 416   | 3,106 | 333   |

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**SCARBOROUGH COLLEGE LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Strategic report (continued)**

**Achievements and performance (continued)**

**e. Reserves Policy**

The Governors regularly review the finances, budgets and spend against budget together with a cash flow analysis as part of the effective stewardship of the College.

In common with other independent schools, the Governors have invested substantial sums into the College buildings and have a continuing programme of refurbishment and development to maintain the excellent teaching facilities for our pupils.

The Company's unrestricted funds stood at £2,649,682 at the year end, and these were wholly deployed in funding the College's Capital Expenditure on the premises and equipment. The company's restricted funds stood at £74,874 at the year end.

The policy of the Trustees and the Directors of Scarborough College is to aim to retain reserves of £1.3 million or more. This is equivalent to approximately three months' expenditure, by means of annual operating surpluses, subject to the prior demands of further capital and revenue expenditure needed to maintain the high standard of the educational facilities provided at the College.

**f. Market Value of Land and Buildings**

In the opinion of the Trustees of Scarborough College the current market value of the Company's land and buildings was not less than the amount £6,194,015 shown in the balance sheet.

**g. Going Concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Structure, governance and management**

**a. Governing Document**

The Company is governed by its Memorandum and Articles of Association first issued on 4 December 1896, and filed at Companies House most recently on 29 September 2018.

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Structure, governance and management (continued)**

**b. Governing Body**

The Directors, who are also the Charity Trustees, are responsible for the overall management and control of the College and meet four times a year at various sub committees, and also four times a year as the full board. The work of implementing their policies is carried out through several governors sub committees. The sub committees include a Finance and Management Committee, Education and Welfare Committee, and a Marketing Committee. The Board is a self-appointing body, and directors are elected at a full directors' meeting of the Company. The College Business Manager is responsible for co-ordinating the work of the Governors and their Committees, preparation of papers and management accounts, and the review of matters arising.

**c. Trustee Recruitment and Training**

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new governors the important attribute is a passion for the work of the College and an understanding of education as a holistic and rounded experience of personal growth. Where possible the governors consider that the skills and experience of the Board should comprise of the following:

- A governor with a legal background.
- A governor with a financial/accounting background.
- A governor with education experience and background.
- A governor with senior managerial or business experience.
- A governor with HR/employment law experience.
- A governor with property/surveying experience.

On appointment, new Governors are inducted into the workings of the Board and their responsibilities as directors, charity trustees and school governors. The Charity has no formal Governor training procedures in place. However Governors are encouraged to attend training courses and seminars run by AGBIS (The Association of Governing Bodies of Independent Schools). Additionally, governors are encouraged to take a full part in the activities of the College including attendance at concerts and sports events, plus time in the classroom observing lessons.

**d. Other Relationships**

The Headmaster is a member of the Society of Heads, attending the society conference which is an opportunity to share expertise, knowledge and experience across the independent school sector. The conference also permits appropriate representation to Government and regulators of the views of the sector. The College is also a member of IAPS and BSA, whilst also holding IB World School status.

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**SCARBOROUGH COLLEGE LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Structure, governance and management (continued)**

**e. Organisational Management**

The Governors and Trustees meet as a Board at least four times a year (October, December, March and June) to determine the general policy of the Company and review the overall management and control, for which they are legally responsible. The work of implementing most of their policies is carried out by the Finance and Management Committee, chaired by Mr A S Green, and which meets regularly prior to each meeting of the full Governing Board, and on other occasions when necessary to regulate the administration of the College. The other principal committee is the Education and Welfare Committee, which as its title indicates, focuses on matters relating to education/curriculum and welfare.

The Governors determine the general policy of the College but the day to day running of the College is delegated to the Headmaster, supported by the Senior Management Team. The Headmaster undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of both the Prep and Senior schools is undertaken within the policies and procedures approved by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval. The approval process is detailed within the Financial Regulations of the College.

The Headmaster oversees the recruitment of all educational staff, whilst, under delegated authority, the Business Manager oversees the recruitment of administrative and non-teaching support staff. The Headmaster, Head of the Prep School and Business Manager attend Governors' meetings.

**f. Related party relationships**

None of the Governors received remuneration or other benefits from their work with the College. Any contractual relationships must be disclosed and notes of interest are retained in written form.

Four of the Governors had children enrolled in the school during the year with the fees payable at normal published rates. This does not affect their capability to make independent and fair decisions but, if there is a specific situation where there may be conflicted interests, governors will remove themselves from meetings.

One of the governors, Mr R Guthrie, is a Director and person with significant control of Broadland Properties Limited. During the year a sum of £60,000 (2021: £60,000) was paid to Broadland Properties for property rental on an arm's length basis.

Four Governors had children enrolled in the College during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £89,212 (2021: £78,148)

At the year end, the College had an asset under construction valued at £767,324. This relates to the partial completion of the athletics track on the College's Bramcote site. This is donated by a related party, Bramcote Athletics Ltd. Richard Guthrie, a Governor of Scarborough College Ltd, is a Director of this company. Post year end Scarborough College Ltd has received Charities Commission approval to lease an element of the Bramcote Sports Centre site to Bramcote Athletics Ltd on a long term lease.

**g. Key Management Personnel**

The Governors consider that they, together with the Headmaster, The Business Manager and the Prep School Headmaster comprise the key management personnel (see note 14 to the accounts). The Governors give up their time freely and the pay and the remuneration of the Headmaster and senior staff is set by the Board and is kept under annual review.

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Structure, governance and management (continued)**

**h. Pay policy for senior staff**

The College operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools. This allows the College to remain an attractive employer in the independent school sector.

The bands are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the College and also increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

**i. Risk management**

The Governors and the Board of Scarborough College, with particular assistance from the College Finance and Management Committee, have examined the principal areas of the College's operations and have considered the major areas of strategic, operational and business risk which the College faces. The Directors actively review the major risks that may arise on a regular basis, as well as the systems and procedures established to manage them, ensuring that those risks already identified can be mitigated. All of the identified risks are contained within the College Risk Management Summary.

**Reference and administrative details of the Charity, its trustees and advisers**

**Trustees**

Dr J Renshaw, Chairman  
Mr A S Green, Vice Chairman  
Mrs R Clements (resigned 22 September 2022)  
Mrs V J Gillingham  
Mr J A Cliffe  
Mr R Guthrie  
Mr J R Marshall  
Mr S N Fairbank  
Mr J S Rowlands  
Mr J F W Swiers  
Mr G N M Young  
Dr I G H Renwick (resigned 9 October 2021)  
Mr G W Robinson (appointed 5 January 2023)

**Key management personnel: Key Executives**

Headmaster: Mr G A Emmett

Head of Prep School: Mr C W Barker

Business Manager,  
Clerk to the Governors & Company Secretary: Miss A J Higgins

Scarborough College Limited is a charitable company, incorporated in 1896 as a private limited company, which founded the school in 1898 and which was placed in the Register of Charities in 1962.

The website is:- [www.scarboroughcollege.co.uk](http://www.scarboroughcollege.co.uk)

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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|                                  |   |
|----------------------------------|---|
| <b>Company registered number</b> | 00050404  |
| <b>Charity registered number</b> | 529686  |
| <b>Registered office</b>         | Scarborough College<br>Filey Road<br>Scarborough<br>North Yorkshire<br>YO11 3BA   |
| <b>Independent auditor</b>       | Armstrong Watson Audit Limited<br>Chartered Accountants<br>Third Floor<br>10 South Parade<br>Leeds<br>West Yorkshire<br>LS1 5QS |
| <b>Bankers</b>                   | Lloyds<br>1 St Nicholas Street<br>Scarborough<br>North Yorkshire<br>YO11 2YY  |
| <b>Solicitors</b>                | Lupton Fawcett Denison Till<br>Yorkshire House<br>East Parade<br>Leeds<br>LS1 5BD   |

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**SCARBOROUGH COLLEGE LIMITED**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

**Auditors**

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

**Dr J Renshaw**  
Trustee

Date:

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:

**Dr J Renshaw**  
Trustee



Date:

25/3/23

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**

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**Opinion**

We have audited the financial statements of Scarborough College Limited (the 'charity') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's 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 requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
**(CONTINUED)**

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conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which 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 Trustee's responsibilities statement, on Page 13, the Trustees (who are also the 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 but to do so.

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
**(CONTINUED)**

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**Auditor's responsibilities for the audit of the financial statements**

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees, and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non compliance throughout the audit.

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

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

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

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

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**SCARBOROUGH COLLEGE LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED**  
**(CONTINUED)**

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Karen Rae (Senior statutory auditor)**

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants & Statutory Auditors

Leeds

Date: *28 March 2023*

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

|  | Note | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Endowment<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|--|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| <b>Income and endowments from:</b>                             |      |                                    |                                  |                                 |                             |                             |
| Donations and legacies   | 4    | 767,624                            | -                                | -                               | 767,624                     | 12,558                      |
| Charitable activities  | 5    | 6,165,676                          | 109,812                          | -                               | 6,275,488                   | 5,431,107                   |
| Other trading activities                                       | 6    | 313,622                            | -                                | -                               | 313,622                     | 189,250                     |
| Investments  | 7    | 742                                | -                                | -                               | 742                         | 1,154                       |
| Other income   | 8    | 4,364                              | -                                | -                               | 4,364                       | 54,689                      |
| <b>Total income and endowments</b>                             |      | <b>7,252,028</b>                   | <b>109,812</b>                   | <b>-</b>                        | <b>7,361,840</b>            | <b>5,688,758</b>            |
| <b>Expenditure on:</b>   |      |                                    |                                  |                                 |                             |                             |
| Raising funds  | 9    | 351,032                            | -                                | -                               | 351,032                     | 423,551                     |
| Charitable activities  | 10   | 6,227,278                          | 110,812                          | -                               | 6,338,090                   | 5,430,936                   |
| Other expenditure  | 11   | 348,122                            | -                                | -                               | 348,122                     | 489,529                     |
| <b>Total expenditure</b>                                       |      | <b>6,926,432</b>                   | <b>110,812</b>                   | <b>-</b>                        | <b>7,037,244</b>            | <b>6,344,016</b>            |
| <b>Net (expenditure)/ income before other recognised gains</b> |      | <b>325,596</b>                     | <b>(1,000)</b>                   | <b>-</b>                        | <b>324,596</b>              | <b>(655,258)</b>            |
| <b>Other recognised gains:</b>                                 |      |                                    |                                  |                                 |                             |                             |
| Actuarial gains/ (losses) on defined benefit schemes           |      | 24,776                             | -                                | -                               | 24,776                      | 2,990                       |
| <b>Net movement in funds</b>                                   |      | <b>350,372</b>                     | <b>(1,000)</b>                   | <b>-</b>                        | <b>349,372</b>              | <b>(652,268)</b>            |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

| Note                               | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Endowment<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | <i>Total<br/>funds<br/>2021<br/>£</i> |
|------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|---------------------------------------|
| <b>Reconciliation of funds:</b>    |                                    |                                  |                                 |                             |                                       |
| Total funds brought forward        | 2,299,310                          | 75,874                           | 102                             | 2,375,286                   | 3,027,554                             |
| Net movement in funds              | 350,372                            | (1,000)                          | -                               | 349,372                     | (652,268)                             |
| <b>Total funds carried forward</b> | <u>2,649,682</u>                   | <u>74,874</u>                    | <u>102</u>                      | <u>2,724,658</u>            | <u>2,375,286</u>                      |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 24 to 53 form part of these financial statements.

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 00050404**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

|   | Note | 2022<br>£                      | 2021<br>£                      |
|---|------|--------------------------------|--------------------------------|
| <b>Fixed assets</b>                                     |      |                                |                                |
| Intangible assets                                       | 16   | 28,694                         | 39,026                         |
| Tangible assets   | 17   | 7,910,735                      | 7,288,116                      |
|   |      | <u>7,939,429</u>               | <u>7,327,142</u>               |
| <b>Current assets</b>                                   |      |                                |                                |
| Stocks  | 18   | -                              | 7,174                          |
| Debtors   | 19   | 5,074,145                      | 4,318,774                      |
| Cash at bank and in hand                                |      | 1,282,953                      | 1,181,938                      |
|   |      | <u>6,357,098</u>               | <u>5,507,886</u>               |
| Creditors: amounts falling due within one year          | 20   | <u>(8,562,183)</u>             | <u>(6,982,083)</u>             |
| <b>Net current liabilities</b>                          |      | <b>(2,205,085)</b>             | <b>(1,474,197)</b>             |
| <b>Total assets less current liabilities</b>            |      | <b><u>5,734,344</u></b>        | <b><u>5,852,945</u></b>        |
| Creditors: amounts falling due after more than one year | 21   | (2,582,335)                    | (2,669,071)                    |
| Provisions for liabilities                              | 22   | (427,351)                      | (808,588)                      |
| <b>Total net assets</b>                                 |      | <b><u><u>2,724,658</u></u></b> | <b><u><u>2,375,286</u></u></b> |

**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 00050404**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**


|                          | Note | 2022<br>£               | 2021<br>£               |
|--------------------------|------|-------------------------|-------------------------|
| <b>Charity funds</b>     |      |                         |                         |
| Endowment funds          | 23   | 102                     | 102                     |
| Restricted funds:        |      |                         |                         |
| Peggy Bailey Legacy      | 23   | 73,470                  | 73,470                  |
| Early Years              | 23   | 304                     | 1,304                   |
| Cricket Pavilion Fund    | 23   | 1,100                   | 1,100                   |
| Total restricted funds   | 23   | <u>74,874</u>           | 75,874                  |
| Unrestricted funds       |      |                         |                         |
| Called up share capital  | 23   | 5,507                   | 5,507                   |
| General funds            | 23   | 2,628,935               | 2,278,563               |
| Revaluation reserve      |      | 15,240                  | 15,240                  |
| Total unrestricted funds | 23   | <u>2,649,682</u>        | 2,299,310               |
| <b>Total funds</b>       |      | <u><u>2,724,658</u></u> | <u><u>2,375,286</u></u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Dr J Renshaw**  
Trustee



**Mr A S Green**  
Trustee

Date: 25/3/23

The notes on pages 24 to 53 form part of these financial statements.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

|   | Note | 2022<br>£        | 2021<br>£        |
|---|------|------------------|------------------|
| <b>Cash flows from operating activities</b>             |      |                  |                  |
| Net cash used in operating activities                   | 26   | 530,848          | 1,308,627        |
| <b>Cash flows from investing activities</b>             |      |                  |                  |
| Interest received                                       |      | 742              | 1,154            |
| Purchase of intangible assets                           |      | -                | (27,028)         |
| Purchase of tangible fixed assets                       |      | (229,137)        | (220,796)        |
| Interest payable  |      | (125,617)        | (128,107)        |
| <b>Net cash used in investing activities</b>            |      | <b>(354,012)</b> | <b>(374,777)</b> |
| <b>Cash flows from financing activities</b>             |      |                  |                  |
| Loan repayments   |      | (75,701)         | (56,260)         |
| Capital repayments                                      |      | (120)            | (120)            |
| <b>Net cash used in financing activities</b>            |      | <b>(75,821)</b>  | <b>(56,380)</b>  |
| <b>Change in cash and cash equivalents in the year</b>  |      | <b>101,015</b>   | <b>877,470</b>   |
| Cash and cash equivalents at the beginning of the year  |      | 1,181,938        | 304,468          |
| <b>Cash and cash equivalents at the end of the year</b> | 27   | <b>1,282,953</b> | <b>1,181,938</b> |

The notes on pages 24 to 53 form part of these financial statements

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**1. General information**

Scarborough College Limited ("the Company") is a private limited company incorporated in England. The address of the Company's registered office and principal place of business is Scarborough College, Filey Road, Scarborough, North Yorkshire, YO11 3BA.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Scarborough College Limited Scarborough College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The Trustees are satisfied that the going concern basis is appropriate for the preparation of the financial statements due to the net asset position of the Charity and the availability of sufficient cash reserves to meet liabilities as they fall due. The Trustees are confident that reserves will remain sufficient to meet the Charity's needs into the 2022-23 financial year.

In reaching their conclusion, the Trustees have considered cash flows covering a period of 12 months from the date of sign off, including any funding to support the organisation. They have also considered future strategic and operational objectives for the ensuing 12 months and have considered and applied sensitivity analysis on the forecasts as appropriate.

As a consequence, the Trustees believe that the charity is well placed to manage its financial risks successfully despite the current challenging and unpredictable economic outlook. The Trustees have a reasonable expectation that the charity has adequate reserves to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of signing of these financial statements. Accordingly, the Trustees continue to adopt the going concern basis in preparing the accounts.

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.3 Income**

Fees receivable, and charges for services and use of the premises, are accounted for in the academic year in which the service is provided. Fees receivable are after deduction of bursaries and allowances. Where fees are received in advance they are deferred until the criteria for income recognition are met. Donations and other income are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Legacies**

Entitlement is when income is probably and measurable. A legacy receipt is normally probable when there has been a grant of probate, executors have established that there are sufficient assets, and any conditions attached to the legacy are in control or met by the charity. A legacy is measurable when it can be measured or estimated with sufficient reliability.

**Government grants receivable**

Grants are recognised used the performance model. Grant income is recognised once both the income recognition criteria and terms and conditions attached to the grant are met. Grants receivable as compensation for expenses or losses already incurred, or for the purpose of receiving immediate financial support are recognised in other operating income in the period in which they become receivable.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

All expenditure is inclusive of irrecoverable VAT.

**Allocation of Support Costs**

Support costs are those functions that assist the work of the College but do not directly undertake charitable activity. Support costs include the costs of office salaries and governance costs which support the College in the provision of education. The bases on which support costs have been allocated are set out in note 12.

**2.5 Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**2.6 Intangible assets and amortisation**

Intangible assets comprise of a marketing film and website development costs, both of which are being amortised over their useful estimated lives of five years. Website development costs are capitalised on the basis that they meet the recognition criteria of an asset, namely that future economic benefits will flow to the entity.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life within expenditure on charitable activities heading within the Statement of Financial Activities.

The estimated useful lives are as follows:

|                           |           |
|---------------------------|-----------|
| Marketing film            | - 5 years |
| Website Development Costs | - 5 years |

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

|  |                                    |
|--|------------------------------------|
| Freehold property                          | - 0%-4% Straight line              |
| Short-term leasehold property improvements | - Over the term of the lease       |
| Other equipment, furnishings and fittings  | - 2%, 5%, 10% or 20% straight line |

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.7 Tangible fixed assets and depreciation (continued)**

Each financial year the Governors review the treatment of each class of asset during that year.

Previously it was deemed that only Weaponness House, which is included in the land and building asset heading, should be depreciated to write it down to its value as it was deemed to be impaired.

This has now been revised and the Governors deem it necessary to commence depreciation of all assets within the Land and Property classification, in line with the provisions of FRS 102. This would result in a depreciation adjustment being processed in the financial year ended 2022. The estimate useful life of land and buildings has been deemed to be 100 years.

There is no specific capitalisation threshold for tangible fixed assets. Impairment reviews are undertaken annually for freehold land and buildings and for other assets when there is indication an asset may be impaired.

**2.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks on the first in, first out (FIFO) basis. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.11 Liabilities**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**2. Accounting policies (continued)**

**2.12 Financial instruments**

The Charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.13 Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.14 Pension costs and other post-retirement benefits**

The company participates and where necessary contributes into the Independent Schools' Pension defined benefit schemes at rates set by the schemes' actuaries. The scheme is a multi-employer pension scheme, as a result of which it is neither possible nor appropriate to identify the assets and liabilities of the scheme which are attributable to the College. Contributions are charged in the financial statements in the period when they fall due. When the scheme is in deficit and where the College has agreed to a deficit funding arrangement, the College recognises a liability for this obligation.

The company also operates three defined contribution schemes and the pension charge represents the amounts payable by the company to the pension funds in respect of the year.

**2.15 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Endowment funds are a prize giving fund, and represents monies held for the endowment of a prize.

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**3. Critical accounting estimates and areas of judgment**

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions:**

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a heightened risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Bad Debt Provision**

The Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 19 for the net carrying amount of the debtors and associated impairment provision.

**Provision against liabilities**

Provisions are recognised when there is a present obligation as a result of a past event, where transfer of economic benefits is probable to settle the obligation and this can be reliably measured. From time to time, the company is required to make provision for pending legal claims. The entity makes use of available relevant legal expertise to establish whether quantum can be reliably measured in such cases. Based on this information, the college makes a provision based on the best estimate of the amount potentially required to settle the obligation including costs, taking into account the time value of money where material.

The Directors do not consider that any other judgements, estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Pension Liability**

The College has an obligation to pay benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends. See note 30 for the disclosures relating to the pension scheme.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Income from donations and legacies**

|           | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Restricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|-----------|--|--|---------------------------------------|
| Donations | 767,624                                      | -  | 767,624                               |
|           | <u>767,624</u>                               | <u>-</u>                                   | <u>767,624</u>                        |
|           | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Restricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
| Donations | 6,558  | 6,000                                      | 12,558                                |
|           | <u>6,558</u>                                 | <u>6,000</u>                               | <u>12,558</u>                         |

Included within the income from donations is an amount of £767,624 which relates to a donation from a related party for the construction of an athletics track on the College's Bramcote site.

**5. Income from charitable activities**

|  | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Restricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|--|--|--|---------------------------------------|
| Fees generated from the Provision of Education | 6,165,676                                    | 109,812                                    | 6,275,488                             |
|  | <u>6,165,676</u>                             | <u>109,812</u>                             | <u>6,275,488</u>                      |
|  | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Restricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
| Fees generated from the Provision of Education | 5,283,989                                    | 147,118                                    | 5,431,107                             |
|  | <u>5,283,989</u>                             | <u>147,118</u>                             | <u>5,431,107</u>                      |

The income from school fees was £6,275,488 (2021: £5,431,107) of which £6,165,676 (2021: £5,283,989) was unrestricted and £109,812 (2021: £147,118) was restricted. Included within restricted funds is early years funding to fund early years education of pupils aged between 3 and 5 years old.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**6. Income from other trading activities**

**Income from non charitable trading activities**

|                                  | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|----------------------------------|--|---------------------------------------|
| Other Trading Income             | 46,744                                       | <b>46,744</b>                         |
| School Holiday and Hiring Income | 31,462                                       | <b>31,462</b>                         |
| Special Educational Needs Income | 98,578                                       | <b>98,578</b>                         |
| Bus Income                       | 123,463                                      | <b>123,463</b>                        |
| Registration Fees                | 13,375                                       | <b>13,375</b>                         |
| <b>Total 2022</b>                | <b>313,622</b>                               | <b>313,622</b>                        |

|                                  | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|----------------------------------|--|---------------------------------------|
| Other Trading Income             | 30,407                                       | 30,407                                |
| School Holiday and Hiring Income | 6,984  | 6,984                                 |
| Special Education Needs Income   | 59,123                                       | 59,123                                |
| Bus Income                       | 80,215                                       | 80,215                                |
| Registration Fees                | 12,521                                       | 12,521                                |
| <i>Total 2021</i>                | <i>189,250</i>                               | <i>189,250</i>                        |

**7. Investment income**

|                          | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|--------------------------|--|---------------------------------------|
| Deposit Account Interest | 742  | <b>742</b>                            |
|                          | 742  | <b>742</b>                            |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**7. Investment income (continued)**

|                          | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|--------------------------|--|---------------------------------------|
| Deposit Account Interest | 1,154  | 1,154                                 |

**8. Other income**

|                  | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|------------------|--|---------------------------------------|
| Insurance Claims | 4,364  | 4,364                                 |

|                              | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|------------------------------|--|---------------------------------------|
| Government Grants Receivable | 54,689                                       | 54,689                                |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**9. Expenditure on raising funds**

|                      | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|----------------------|--|---------------------------------------|
| Bank Loan Interest   | 125,614                                      | <b>125,614</b>                        |
| Bank Charges         | 20,760                                       | <b>20,760</b>                         |
| Bad Debts Write Off  | (4,656)                                      | <b>(4,656)</b>                        |
| Agent Commission     | 204,150                                      | <b>204,150</b>                        |
| Debt Collection Fees | 5,161  | <b>5,161</b>                          |
| Other Interest       | 3  | <b>3</b>                              |
| <b>Total 2022</b>    | <b>351,032</b>                               | <b>351,032</b>                        |
|                      | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
| Bank Loan Interest   | 124,511                                      | 124,511                               |
| Bank Charges         | 27,500                                       | 27,500                                |
| Bad Debts Write Off  | 41,757                                       | 41,757                                |
| Agent Commission     | 205,144                                      | 205,144                               |
| Debt Collection Fees | 21,216                                       | 21,216                                |
| Other Interest       | 3,423  | 3,423                                 |
| <i>Total 2021</i>    | <i>423,551</i>                               | <i>423,551</i>                        |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**10. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                        | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Restricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>2022<br/>£</b> |
|------------------------|--|--|-----------------------------|
| Provision of Education | 6,227,278                                    | 110,812                                    | <b>6,338,090</b>            |

|                        | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Restricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>2021<br/>£</i> |
|------------------------|--|--|-----------------------------|
| Provision of Education | 5,283,795                                    | 147,141                                    | <b>5,430,936</b>            |

**11. Other expenditure**

|                      | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|----------------------|--|---------------------------------------|
| Historic Legal Claim | 348,122                                      | <b>348,122</b>                        |

|                      | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|----------------------|--|---------------------------------------|
| Historic Legal Claim | 489,529                                      | <b>489,529</b>                        |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**12. Analysis of expenditure by activities**

|                        | <b>Activities<br/>undertaken<br/>directly<br/>2022<br/>£</b> | <b>Support<br/>costs<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|------------------------|--|---|---------------------------------------|
| Provision of Education | 5,301,794  | 1,036,296                               | <b>6,338,090</b>                      |
|                        |  |   |                                       |
|                        | <i>Activities<br/>undertaken<br/>directly<br/>2021<br/>£</i> | <i>Support<br/>costs<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
| Provision of Education | 4,527,979  | 902,957                                 | 5,430,936                             |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**12. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

|  | <b>Total<br/>funds<br/>2022<br/>£</b> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|--|---------------------------------------|---------------------------------------|
| Salaries                                 | <b>416,623</b>                        | 394,410                               |
| Staff Superannuation                     | <b>16,535</b>                         | 12,765                                |
| HR Services                              | <b>8,066</b>                          | 14,049                                |
| Advertising                              | <b>163,722</b>                        | 136,449                               |
| Telephone                                | <b>49,081</b>                         | 38,971                                |
| Postage                                  | <b>90,303</b>                         | 119,774                               |
| Vehicles                                 | <b>204,358</b>                        | 127,839                               |
| Auditors remuneration                    | <b>10,650</b>                         | 12,000                                |
| Auditors remuneration for non audit work | <b>1,995</b>                          | 6,590                                 |
| Governors indemnity insurance            | <b>3,111</b>                          | 1,051                                 |
| Legal and Professional fees              | <b>52,712</b>                         | 27,355                                |
| Amortisation                             | <b>10,332</b>                         | 8,531                                 |
| Depreciation                             | <b>8,808</b>                          | 3,173                                 |
| <b>Total</b>                             | <b>1,036,296</b>                      | <i>902,957</i>                        |

**13. Auditor's remuneration**

|   | <b>2022<br/>£</b> | <i>2021<br/>£</i> |
|---|-------------------|-------------------|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts              | <b>10,650</b>     | 12,000            |
| Fees payable to the Charity's auditor in respect of:<br>All non-audit services not included above | <b>1,995</b>      | 6,590             |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**14. Staff costs**

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| Wages and salaries                                   | 2,742,196 | 2,752,224 |
| Social security costs                                | 293,942   | 249,063   |
| Contribution to defined contribution pension schemes | 364,140   | 315,704   |
|  | 3,400,278 | 3,316,991 |

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The College Governors were not paid and did not receive any other benefits from employment with the College in the year, neither were they reimbursed expenses during the year. No Governor received payment for professional or other services supplied to the College.

The key management personnel of the College comprise the Governors, the Headmaster, the Headmaster of the Prep School and the Business Manager, The total employee benefits, including employer pension contributions, of the key management personnel of the College were £308,677 (2021: £275,510)

The average number of persons employed by the Charity during the year was as follows:

|                             | 2022<br>No. | 2021<br>No. |
|-----------------------------|-------------|-------------|
| Tuition                     | 73          | 61          |
| Administration and Services | 56          | 49          |
|                             | 129         | 110         |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                                 | 2022<br>No. | 2021<br>No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000   | 1           | 1           |
| In the band £100,001 - £110,000 | 1           | 1           |

**15. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**16. Intangible assets**

|                          | Marketing<br>film<br>£ | Website<br>Development<br>costs<br>£ | Total<br>£    |
|--------------------------|------------------------|--------------------------------------|---------------|
| <b>Cost</b>              |                        |                                      |               |
| At 1 September 2021      | 46,684                 | 24,635                               | 71,319        |
| At 31 August 2022        | <u>46,684</u>          | <u>24,635</u>                        | <u>71,319</u> |
| <b>Amortisation</b>      |                        |                                      |               |
| At 1 September 2021      | 23,260                 | 9,033                                | 32,293        |
| Charge for the year      | 5,405                  | 4,927                                | 10,332        |
| At 31 August 2022        | <u>28,665</u>          | <u>13,960</u>                        | <u>42,625</u> |
| <b>Net book value</b>    |                        |                                      |               |
| At 31 August 2022        | <u>18,019</u>          | <u>10,675</u>                        | <u>28,694</u> |
| <i>At 31 August 2021</i> | <u>23,424</u>          | <u>15,602</u>                        | <u>39,026</u> |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**17. Tangible fixed assets**

|                          | Freehold<br>property<br>£ | Short<br>leasehold<br>improv'mts<br>£ | Fixtures and<br>fittings<br>£ | Assets<br>under<br>construction<br>£ | Total<br>£              |
|--------------------------|---------------------------|---------------------------------------|-------------------------------|--------------------------------------|-------------------------|
| <b>Cost or valuation</b> |                           |                                       |                               |                                      |                         |
| At 1 September 2021      | 6,642,301                 | 88,461                                | 3,859,936                     | -                                    | 10,590,698              |
| Additions                | 84,144                    | -                                     | 144,993                       | 767,323                              | 996,460                 |
| Disposals                | -                         | -                                     | (580)                         | -                                    | (580)                   |
| At 31 August 2022        | <u>6,726,445</u>          | <u>88,461</u>                         | <u>4,004,349</u>              | <u>767,323</u>                       | <u>11,586,578</u>       |
| <b>Depreciation</b>      |                           |                                       |                               |                                      |                         |
| At 1 September 2021      | 263,752                   | 12,713                                | 3,026,117                     | -                                    | 3,302,582               |
| Charge for the year      | 115,542                   | 8,846                                 | 248,873                       | -                                    | 373,261                 |
| At 31 August 2022        | <u>379,294</u>            | <u>21,559</u>                         | <u>3,274,990</u>              | <u>-</u>                             | <u>3,675,843</u>        |
| <b>Net book value</b>    |                           |                                       |                               |                                      |                         |
| At 31 August 2022        | <u><u>6,347,151</u></u>   | <u><u>66,902</u></u>                  | <u><u>729,359</u></u>         | <u><u>767,323</u></u>                | <u><u>7,910,735</u></u> |
| At 31 August 2021        | <u><u>6,378,549</u></u>   | <u><u>75,748</u></u>                  | <u><u>833,819</u></u>         | <u><u>-</u></u>                      | <u><u>7,288,116</u></u> |

Freehold properties totalling £5,492,374 (2021: £5,748,149) have been pledged as security for liabilities.

**18. Stocks**

|        | 2022<br>£       | 2021<br>£           |
|--------|-----------------|---------------------|
| Stocks | <u><u>-</u></u> | <u><u>7,174</u></u> |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**19. Debtors**

|                                | 2022<br>£ | 2021<br>£ |
|--------------------------------|-----------|-----------|
| <b>Due after one year</b>      |           |           |
| Trade debtors                  | 95,882    | 43,377    |
|                                | 95,882    | 43,377    |
| <b>Due within one year</b>     |           |           |
| Trade debtors                  | 4,746,722 | 4,071,089 |
| Other debtors                  | 42,209    | 57,446    |
| Prepayments and accrued income | 189,332   | 146,862   |
|                                | 5,074,145 | 4,318,774 |

**20. Creditors: Amounts falling due within one year**

|   | 2022<br>£ | 2021<br>£ |
|---|-----------|-----------|
| Bank loans  | 77,654    | 66,739    |
| Trade creditors   | 289,626   | 283,394   |
| Other taxation and social security                          | 71,985    | 60,440    |
| Obligations under finance lease and hire purchase contracts | 120       | 120       |
| Other creditors   | 1,323,506 | 546,858   |
| Accruals and deferred income                                | 6,799,292 | 6,024,532 |
|   | 8,562,183 | 6,982,083 |

Deferred income comprises school fees paid in advance for the next school year. The balance included within creditors relates to amounts deferred during the reporting period of £6,751,852 (2021: £5,955,302), with amounts being released to the Statement of Financial Activities of £5,955,302 (2021: £4,869,746).

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**21. Creditors: Amounts falling due after more than one year**

|   | 2022<br>£ | 2021<br>£ |
|---|-----------|-----------|
| Bank loans  | 2,580,655 | 2,667,271 |
| Net obligations under finance lease and hire purchase contracts | 1,680     | 1,800     |
|   | 2,582,335 | 2,669,071 |

Included within the above are amounts falling due as follows:

|                                   | 2022<br>£ | 2021<br>£ |
|-----------------------------------|-----------|-----------|
| <b>Between one and two years</b>  |           |           |
| Bank loans                        | 81,043    | 80,404    |
|                                   | 81,043    | 80,404    |
| <b>Between two and five years</b> |           |           |
| Bank loans                        | 256,855   | 244,259   |
|                                   | 256,855   | 244,259   |
| <b>Over five years</b>            |           |           |
| Bank loans                        | 2,242,757 | 2,342,608 |
|                                   | 2,242,757 | 2,342,608 |

Bank borrowings at the year end total £2,658,309. The original bank loan is repayable in 300 consecutive monthly instalments representing principal and interest, which commences May 2016. The rate of interest payable on the loan is Base Rate plus 4.2% per annum. The loan matures in 2041. Further loan advances were obtained for the re-development of Weaponness House, which are repayable in 288 consecutive monthly instalments representing principal and interest and repayments commenced in April 2019. The rate of the interest payable on this loan is fixed at 4.52% per annum and it matures in 2043.

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**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**22. Provisions**

|                     | Legal<br>Provision<br>£ | Pension<br>Provision<br>£ | Total<br>£     |
|---------------------|-------------------------|---------------------------|----------------|
| At 1 September 2021 | 450,000                 | 358,588                   | 808,588        |
| Additions           | 345,096                 | (21,077)                  | 324,019        |
| Amounts used        | (705,256)               | -                         | (705,256)      |
|                     | <u>89,840</u>           | <u>337,511</u>            | <u>427,351</u> |

Following the part conclusion of an ongoing litigation case surrounding the historic use of a since demolished building, a transfer has been made from the provision, previously made, of £705,256 to creditors for the known settlement amount. The balance of £89,840 is in relation to the unknown legal fees for which litigation is currently ongoing. The entity is taking advantage of the available exemptions under Section 10.83 of Charities SORP (FRS 102) on the grounds that it could be prejudicial to the outcome of this case to disclose further information.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**23. Statement of funds**

**Statement of funds - current year**

|                                 | Balance at 1<br>September<br>2021<br>£ | Income<br>£             | Expenditure<br>£          | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2022<br>£ |
|---------------------------------|--|-------------------------|---------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>       |  |                         |                           |                         |                                      |
| <b>Called up share capital</b>  |  |                         |                           |                         |                                      |
| Called up share capital         | 5,507                                  | -                       | -                         | -                       | 5,507                                |
| <b>General funds</b>            |  |                         |                           |                         |                                      |
| General Funds - all funds       | 2,278,563                              | 7,252,028               | (6,926,432)               | 24,776                  | 2,628,935                            |
| Revaluation reserve             | 15,240                                 | -                       | -                         | -                       | 15,240                               |
|                                 | <u>2,293,803</u>                       | <u>7,252,028</u>        | <u>(6,926,432)</u>        | <u>24,776</u>           | <u>2,644,175</u>                     |
| <b>Total Unrestricted funds</b> | <u>2,299,310</u>                       | <u>7,252,028</u>        | <u>(6,926,432)</u>        | <u>24,776</u>           | <u>2,649,682</u>                     |
| <b>Endowment funds</b>          |  |                         |                           |                         |                                      |
| Endowment Funds - all funds     | 102                                    | -                       | -                         | -                       | 102                                  |
| <b>Restricted funds</b>         |  |                         |                           |                         |                                      |
| Peggy Bailey Legacy             | 73,470                                 | -                       | -                         | -                       | 73,470                               |
| Early Years                     | 1,304                                  | 109,812                 | (110,812)                 | -                       | 304                                  |
| Cricket Pavillion Fund          | 1,100                                  | -                       | -                         | -                       | 1,100                                |
|                                 | <u>75,874</u>                          | <u>109,812</u>          | <u>(110,812)</u>          | <u>-</u>                | <u>74,874</u>                        |
| <b>Total of funds</b>           | <u><u>2,375,286</u></u>                | <u><u>7,361,840</u></u> | <u><u>(7,037,244)</u></u> | <u><u>24,776</u></u>    | <u><u>2,724,658</u></u>              |

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**23. Statement of funds (continued)**

The endowment fund is a prize giving fund, and represents monies held for the endowment of a prize.

The Peggy Bailey Legacy fund represents monies donated to the College restricted to the endowment of an award, prize of scholarship for students.

The Early Years fund represents Government funding received for the education of pupils aged 3 to 5 years.

The Cricket Pavilion Fund represents monies donated to the College towards the cost of rebuilding a new pavilion within the grounds of the College, following a fire which completely destroyed the previous building.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**23. Statement of funds (continued)**

**Statement of funds - prior year**

|                                 | <i>Balance at<br/>1 September<br/>2020<br/>£</i> | <i>Income<br/>£</i> | <i>Expenditure<br/>£</i> | <i>Transfers<br/>in/out<br/>£</i> | <i>Gains/<br/>(Losses)<br/>£</i> | <i>Balance at<br/>31 August<br/>2021<br/>£</i> |
|---------------------------------|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| <b>Unrestricted funds</b>       |  |                     |                          |                                   |                                  |  |
| <b>Called up share capital</b>  |  |                     |                          |                                   |                                  |  |
| Called up share capital         | 5,507  | -                   | -                        | -                                 | -                                | 5,507  |
| <b>General funds</b>            |  |                     |                          |                                   |                                  |  |
| General Funds                   | 2,930,808  | 5,535,640           | (6,196,875)              | 6,000                             | 2,990                            | 2,278,563                                      |
| Revaluation Reserve             | 15,240   | -                   | -                        | -                                 | -                                | 15,240   |
|                                 | <u>2,946,048</u>                                 | <u>5,535,640</u>    | <u>(6,196,875)</u>       | <u>6,000</u>                      | <u>2,990</u>                     | <u>2,293,803</u>                               |
| <b>Total Unrestricted funds</b> | <u>2,951,555</u>                                 | <u>5,535,640</u>    | <u>(6,196,875)</u>       | <u>6,000</u>                      | <u>2,990</u>                     | <u>2,299,310</u>                               |
| <b>Endowment funds</b>          |  |                     |                          |                                   |                                  |  |
| Endowment Funds - all funds     | 102  | -                   | -                        | -                                 | -                                | 102  |
| <b>Restricted funds</b>         |  |                     |                          |                                   |                                  |  |
| Peggy Bailey Legacy             | 73,470   | -                   | -                        | -                                 | -                                | 73,470   |
| Early Years                     | 1,327  | 147,118             | (147,141)                | -                                 | -                                | 1,304  |
| Cricket Pavillion Fund          | 1,100  | -                   | -                        | -                                 | -                                | 1,100  |
| Projector Fund                  | -  | 6,000               | -                        | (6,000)                           | -                                | -  |
|                                 | <u>75,897</u>                                    | <u>153,118</u>      | <u>(147,141)</u>         | <u>(6,000)</u>                    | <u>-</u>                         | <u>75,874</u>                                  |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**23. Statement of funds (continued)**

|                       |                  |                  |                    |          |              |                  |
|-----------------------|------------------|------------------|--------------------|----------|--------------|------------------|
| <b>Total of funds</b> | <u>3,027,554</u> | <u>5,688,758</u> | <u>(6,344,016)</u> | <u>-</u> | <u>2,990</u> | <u>2,375,286</u> |
|-----------------------|------------------|------------------|--------------------|----------|--------------|------------------|

**24. Summary of funds**

**Summary of funds - current year**

|                  | Balance at 1<br>September<br>2021<br>£ | Income<br>£      | Expenditure<br>£   | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2022<br>£ |
|------------------|--|------------------|--------------------|-------------------------|--------------------------------------|
| Designated funds | 5,507                                  | -                | -                  | -                       | 5,507                                |
| General funds    | 2,293,803                              | 7,252,028        | (6,926,432)        | 24,776                  | 2,644,175                            |
| Endowment funds  | 102                                    | -                | -                  | -                       | 102                                  |
| Restricted funds | 75,874                                 | 109,812          | (110,812)          | -                       | 74,874                               |
|                  | <u>2,375,286</u>                       | <u>7,361,840</u> | <u>(7,037,244)</u> | <u>24,776</u>           | <u>2,724,658</u>                     |

**Summary of funds - prior year**

|                  | Balance at<br>1 September<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2021<br>£ |
|------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Designated funds | 5,507                                  | -                | -                  | -                        | -                       | 5,507                                |
| General funds    | 2,946,048                              | 5,535,640        | (6,196,875)        | 6,000                    | 2,990                   | 2,293,803                            |
| Endowment funds  | 102                                    | -                | -                  | -                        | -                       | 102                                  |
| Restricted funds | 75,897                                 | 153,118          | (147,141)          | (6,000)                  | -                       | 75,874                               |
|                  | <u>3,027,554</u>                       | <u>5,688,758</u> | <u>(6,344,016)</u> | <u>-</u>                 | <u>2,990</u>            | <u>2,375,286</u>                     |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**25. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|  | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Endowment<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ |
|--|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets                  | 7,910,735                          | -                                | -                               | 7,910,735                   |
| Intangible fixed assets                | 28,694                             | -                                | -                               | 28,694                      |
| Debtors due after more than one year   | 95,882                             | -                                | -                               | 95,882                      |
| Current assets                         | 6,186,240                          | 74,874                           | 102                             | 6,261,216                   |
| Creditors due within one year          | (8,562,183)                        | -                                | -                               | (8,562,183)                 |
| Creditors due in more than one year    | (2,582,335)                        | -                                | -                               | (2,582,335)                 |
| Provisions for liabilities and charges | (427,351)                          | -                                | -                               | (427,351)                   |
| <b>Total</b>                           | <u>2,649,682</u>                   | <u>74,874</u>                    | <u>102</u>                      | <u>2,724,658</u>            |

**Analysis of net assets between funds - prior year**

|  | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Restricted<br/>funds<br/>2021<br/>£</i> | <i>Endowment<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|--|--|--|---|---------------------------------------|
| Tangible fixed assets                  | 7,288,116                                    | -  | -   | 7,288,116                             |
| Intangible fixed assets                | 39,026                                       | -  | -   | 39,026                                |
| Debtors due after more than one year   | 43,377                                       | -  | -   | 43,377                                |
| Current assets                         | 5,388,533                                    | 75,874                                     | 102                                       | 5,464,509                             |
| Creditors due within one year          | (6,982,083)                                  | -  | -   | (6,982,083)                           |
| Creditors due in more than one year    | (2,669,071)                                  | -  | -   | (2,669,071)                           |
| Provisions for liabilities and charges | (808,588)                                    | -  | -   | (808,588)                             |
| <b>Total</b>                           | <u>2,299,310</u>                             | <u>75,874</u>                              | <u>102</u>                                | <u>2,375,286</u>                      |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**26. Reconciliation of net movement in funds to net cash flow from operating activities**

|  | <b>2022</b>      | <b>2021</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Net income/expenditure for the year (as per Statement of Financial Activities) | <b>324,596</b>   | <b>(655,258)</b> |
| <b>Adjustments for:</b>  |                  |                  |
| Depreciation charges   | <b>383,593</b>   | <b>320,567</b>   |
| Impairment charges   | <b>-</b>         | <b>94,400</b>    |
| Interest received  | <b>(742)</b>     | <b>(1,154)</b>   |
| Interest paid  | <b>125,617</b>   | <b>128,107</b>   |
| Decrease in stocks   | <b>7,174</b>     | <b>4,434</b>     |
| Increase in debtors  | <b>(755,371)</b> | <b>(116,074)</b> |
| Increase in creditors  | <b>1,569,185</b> | <b>1,117,746</b> |
| Decrease in provision  | <b>(356,461)</b> | <b>415,859</b>   |
| Donated fixed asset  | <b>(767,323)</b> | <b>-</b>         |
| Loss on disposal of fixed asset  | <b>580</b>       | <b>-</b>         |
| <b>Net cash provided by operating activities</b>                               | <b>530,848</b>   | <b>1,308,627</b> |

**27. Analysis of cash and cash equivalents**

|  | <b>2022</b>      | <b>2021</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Cash in hand                           | <b>1,282,953</b> | <b>1,181,938</b> |
| <b>Total cash and cash equivalents</b> | <b>1,282,953</b> | <b>1,181,938</b> |

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**28. Analysis of changes in net debt**

|                          | At 1<br>September<br>2021<br>£ | Cash flows<br>£ | At 31<br>August<br>2022<br>£ |
|--------------------------|--------------------------------|-----------------|------------------------------|
| Cash at bank and in hand | 1,181,938                      | 101,015         | 1,282,953                    |
| Debt due within 1 year   | (66,739)                       | (10,915)        | (77,654)                     |
| Debt due after 1 year    | (2,667,271)                    | 86,616          | (2,580,655)                  |
| Finance leases           | (1,920)                        | 120             | (1,800)                      |
|                          | <u>(1,553,992)</u>             | <u>176,836</u>  | <u>(1,377,156)</u>           |

**29. Called up share capital**

There are 5,507 Ordinary shares of £1 each which have been allotted, called up and fully paid (2021 same).

Shares carry equal voting rights and each class of share also ranks equally in regard to distributions, including distributions arising from a winding up of the College.

**30. Pension commitments**

Scarborough College Limited, together with many other independent schools, operates a contributory plan providing defined benefits based on final pensionable pay for its employees. The assets of the plans are held separately from those of Scarborough College Limited. They also operate three defined contribution schemes.

Contributions to three schemes during the year were based on the following percentages of salary:-

|                                     | <b>Employer</b> | <b>Employee</b> | <b>Total</b>  |
|-------------------------------------|-----------------|-----------------|---------------|
| Independent Schools' Pension Scheme | 8%              | 8%              | 16%           |
| Aviva Pension Scheme                | 16.4%           | 7.4% - 11.7%    | 23.8% - 28.1% |
| People's Pension                    | 3%              | 5%              | 8%            |

The defined benefit pension scheme is a multi-employer pension scheme. As a result of which it is neither possible nor appropriate to identify the assets and liabilities of the schemes which are attributable to the College. Accordingly the College has accounted for its contributions as if they were defined contribution schemes.

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**30. Pension commitments (continued)**

**Independent Schools' Pension Scheme**

The College participates in the scheme, which is a multi- employer scheme, and provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the College 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 College 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 with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the Trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows:

**Deficit Contributions**

From 1 September 2022 to 30 April 2032:           £2,687,000 per annum  
(payable monthly and increasing by 3% on each  
1st September)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. 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 September 2019 to 31 April 2030:       £2,387,357 per annum  
(payable monthly and increasing by 3% on each  
1st September)

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

Where the scheme is in deficit and where the College has agreed to a deficit funding arrangement, the College 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.

**SCARBOROUGH COLLEGE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

|  | <b>2022</b>           | <b>2021</b>    |
|--|-----------------------|----------------|
|  | £                     | £              |
| <b>Reconciliation of Opening and Closing Provisions</b>  |                       |                |
| Provision at start of period                             | <b>358,588</b>        | 395,719        |
| Unwinding of the discount factor (interest expense)      | <b>3,699</b>          | 3,378          |
| Deficit contribution paid                                | <b>(38,645)</b>       | (37,519)       |
| Remeasurements - impact of any change in assumptions     | <b>(56,028)</b>       | (2,990)        |
| Remeasurements - amendments to the contribution schedule | <b>69,897</b>         | -              |
|  | <u><b>337,511</b></u> | <u>358,588</u> |
|  | <b>2022</b>           | <b>2021</b>    |
|  | £                     | £              |
| <b>Income and Expenditure Impact</b>                     |                       |                |
| Interest expense   | <b>3,699</b>          | 3,378          |
| Remeasurements - impact of any change in assumptions     | <b>(56,028)</b>       | (2,990)        |
| Remeasurements - amendments to the contribution schedule | <b>69,897</b>         | -              |
|  | <u><b>17,568</b></u>  | <u>388</u>     |

**Assumptions**

The discount rates shown below 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.

|                             | 31st August 2022 | 31st August 2021 | 31st August 2020 |
|-----------------------------|------------------|------------------|------------------|
| Discount rate (% per annum) | 4.31             | 1.09             | 0.90             |

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**31. Operating lease commitments**

At 31 August 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

|   | <b>2022</b>    | <b>2021</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| <b>Non-cancellable operating leases</b> |                |                |
| Within one year                         | <b>182,673</b> | <b>141,067</b> |
| Between one and five years              | <b>399,887</b> | <b>325,576</b> |
| In more than five years                 | <b>385,093</b> | <b>435,036</b> |
|   | <b>967,653</b> | <b>901,679</b> |

**32. Finance lease commitments**

Minimum lease payments under hire purchase fall due as follows:

|                            | <b>2022</b>  | <b>2021</b>  |
|----------------------------|--------------|--------------|
|                            | <b>£</b>     | <b>£</b>     |
| Within one year            | <b>120</b>   | <b>120</b>   |
| Between one and five years | <b>480</b>   | <b>480</b>   |
| In more than five years    | <b>1,200</b> | <b>1,320</b> |
|                            | <b>1,800</b> | <b>1,920</b> |

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**SCARBOROUGH COLLEGE LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**33. Related Party Transactions**

During the year the College leased a property, on an arm's length basis from Broadland Properties Limited, for £60,000 (2021: £60,000). Mr R Guthrie (a Trustee of Scarborough College Limited), is a Director and person with significant control of Broadland Properties Limited.

Four Governors had children enrolled in the College during the year with fees payable at normal published rates, with discounts and scholarships applied which are available to all parents, totalling £89,212 (2021: £78,148)

At the year end, the College had an asset under construction with a total cost valued at £852,582. At present £767,624 has been capitalised as this relates to the partial completion of the athletics track on the College's Bramcote site. This is donated by a related party, Bramcote Athletics Ltd. Richard Guthrie, a Governor of Scarborough College Ltd, is a Director of this company. Post year end Scarborough College Limited has received Charity Commission approval to lease an element of the Bramcote Sports Centre site to Bramcote Athletics Ltd on a long term lease.

As at the time of approval of these accounts there has been no change to the stage of completion of the asset since the year end date.

**34. Post balance sheet events**

At the year end, the College had an asset under construction with a total cost valued at £852,582. Assets capitalised to date of £767,624 relate to the partial completion of the athletics track on the College's Bramcote site. This is donated by a related party, Bramcote Athletics Ltd. Richard Guthrie, a Governor of Scarborough College Ltd, is a Director of this company. Post year end Scarborough College Ltd has received Charities Commission approval to lease an element of the Bramcote Sports Centre site to Bramcote Athletics Ltd on a long term lease.

As at the time of approval of these accounts there has been no change to the stage of completion of the asset since the year end date.

**SCARBOROUGH COLLEGE**

England & Wales - Charity number 529686

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# Accounts

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**REGISTERED COMPANY NUMBER: 00050404 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 529686**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021  
FOR  
SCARBOROUGH COLLEGE LIMITED**

**SCARBOROUGH COLLEGE LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
for the year ended 31 August 2021**

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|   | <b>Page</b> |
|---|-------------|
| <b>Report of the Trustees</b>             | 1 to 9      |
| <b>Report of the Independent Auditors</b> | 10 to 13    |
| <b>Statement of Financial Activities</b>  | 14          |
| <b>Balance Sheet</b>                      | 15 to 16    |
| <b>Cash Flow Statement</b>                | 17          |
| <b>Notes to the Cash Flow Statement</b>   | 18          |
| <b>Notes to the Financial Statements</b>  | 19 to 34    |

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2021**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The objects of the Company, in accordance with its Articles and Memorandum of Association, are to establish and conduct in Scarborough, and elsewhere, a Day and Boarding School or Schools for Boys and Girls (aged 3 to 18 years) in which there shall be given a sound education, combined with a moral and religious input.

**Aims and Intended Impact**

The Company's vision is to be a recognised leader in British independent education.

**Mission Statement**

The Company's commitment is to discover and fully realise every child's potential by ensuring that all pupils are seen as individuals whose specific needs are recognised and met. We are dedicated to providing a far-reaching education that goes beyond the boundaries of the classroom, underpinned by strong lifelong values, which inspires academic excellence and ensures pupils are challenged. Regular opportunities to understand their own capabilities through exposure to a broad range of sporting, cultural and creative activities, widens our pupils' horizons and builds their self-confidence. Within our outward-facing, grounded and caring community the relationships that exist nurture tolerant, honest and compassionate people who will make a genuine difference in their futures beyond the confines of our school.

**Aims of the Company**

Scarborough College seeks:

- To encourage and enable pupils to achieve their academic potential and to foster a climate in which high quality teaching and learning are the upmost priorities.
- To respond to, support, and bring about the aspirations of pupils and their parents, whilst being attentive to their views.
- To consistently provide a high degree of personal care, support and guidance within, and outside of, the formal pastoral structure.
- To promote the acquisition and development of life-long values and 'character'.
- To cultivate and develop in pupils a sense of spirituality, cultural awareness and a moral framework through which they can live a fulfilling and happy life.
- To provide an environment in which pupils feel valued and learn to work co-operatively within a safe and nurturing community.
- To provide regular opportunities for all pupils to engage with a varied co-curricular programme so that they may explore their talents and discover life-long passions.
- To be a caring, supportive and appreciative employer, recognising the work and commitment of all staff whilst facilitating a climate of continual professional development.
- To consistently look for improvements in everything we do, thereby ensuring that the experience all our stakeholders undergo becomes ever more positive and rewarding.

The main objectives remain unchanged and are to achieve excellent public examination results, to continue with the successful work related to the International Baccalaureate programme, to enhance the boarding provision, and to strengthen even further the College's links with the community.

The Scarborough College strategy is to continue to develop the school's facilities, both physical and intellectual, for providing an excellent education for its students. The enhancement of the school facilities will be driven through property development activity which is given in greater detail in the Future Plans section of this report.

**Significant activities**

The principal activity continues to be the provision in Scarborough of independent education for both boarding and day children between the ages of 3 to 18 years old. The Prep School takes boys and girls from 3 to 11 years of age and also operates a pre-school nursery (Little Owls). The Senior School provides for students aged 11 to 18 years. For this academic year the student population was 445, not including younger children attending the nursery.

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2021**

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**OBJECTIVES AND ACTIVITIES**

**Public benefit**

The College is committed to its responsibility of a leading and integral role within the Scarborough community and its neighbouring communities. By working closely together with various stakeholders, such as schools, charities and other organisations within these communities, the College will continue to achieve public benefit. The company has complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission.

The Company continues to take an important role in many areas of support to the local community and, in particular, to sport. Following the council's recent permission to allow third-party users, it is the Company's intention to have the all-weather pitch used by both Scarborough Hockey Club and any local sports clubs for a nominal fee.

The summer is, normally, exceptionally busy with local cricket matches, a cricket festival arranged in partnership with Scarborough Cricket Club and the Scarborough Athletic Club using the field for athletics including the long jump and running, all of which use the College facilities and minibuses. The College hosts children from other schools of the area for cross country running competitions, hockey and football trials. This has obviously reduced due to the impact of COVID-19. Bramcote Sports Hall, Deepdale playing fields and the company's main playing fields and tennis courts are available and are used by clubs such as Scarborough Cricket Club, Scarborough Football Club and Yorkshire County Cricket Club.

Where possible, the Company seeks to let other areas of its campus to local schools free of charge. Lisvane Hall Centre of Performing Arts and the Science Block, in particular, are used by local primary schools for their (nativity) productions, Science days and the Tykes in Tune event, which is hosted by Scarborough College. Other companies that let these premises at nominal charges are Welcome to Yorkshire, The English Chess Federation and the Yorkshire Cricket Board. The Company is currently in talks with York and Scarborough Teaching Hospitals for use of its premises.

Although the global pandemic has halted and restricted many of the activities outlined above, it has not stopped the company from exploring its public benefit to the community. Early on, the Design and Technology Department used its resources to create plastic visors for local surgeries and nursing homes. The plastic designed to manufacture these visors was purchased and donated by the Marketing Department. In conjunction with Scarborough Rugby Club, one of the vaccination centres in North Yorkshire, and Age UK, the company used its idle fleet of minibuses to transport many elderly and disabled members of the community to reach their vaccinations free of charge. These minibuses were driven by various different members of staff, including the College drivers.

**Community Service**

Pupils of all age groups within Scarborough College share a sense of community service. Together with the Friends of Scarborough College parents' group, there are a number of fundraising activities throughout the entire school, including the Harvest Festival and the MacMillan Cancer Trust. Both initiatives directly benefit the local community with the Harvest Festival proceeds going the Rainbow Centre in Scarborough and part of the MacMillan Big Breakfast allocated to local children.

In the senior school, activities within the Duke of Edinburgh's and the Sixth Formers' CAS (Creativity, Activity and Service) support local, regional and international charities and causes. It is an essential part of both the D of E as well as the International Baccalaureate Diploma Programme. Charitable donations from fund raising activities amount to £4,445 in the year.

## OBJECTIVES AND ACTIVITIES

### Bursary and scholarship awards

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. Learning occurs through social interaction, conversation and shared experiences which help our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy together with our out-reach work contribute to a widening of access to the education we offer and the facilities we enjoy.

### Bursaries

The governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by Scarborough College. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example, in the case of redundancy. In assessing means the College takes a number of factors into consideration including family income, investments and savings, and family circumstances, for example, dependent relatives and the number of siblings.

Those wishing to be considered for bursary support are required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees is assessed according to the guardians' ability to pay full fees and the availability of bursary funds to the College. Bursary awards are subject to the annual testing of the guardians' means.

This year the value of means tested bursaries totalled £618,881 and represented 9% of our gross fees. They provided assistance to 112 pupils, representing 26% of the school roll.

### Non means-tested fee remissions

The purpose of our scholarship awards is to recognise high academic, musical, and sporting potential or ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the aforementioned abilities which will contribute to our co-curricular activities; awards may be subject to conditions. Scholarships are awarded with a fixed remission of fees of between 10% and 100%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. The value of Scholarships in the school year totalled £481,112 awarded to 119 pupils.

Other forms of non means-tested assistance were also awarded during the academic year, including sibling and staff discounts. In total these awards were made to 133 pupils and amounted to £400,683.

The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with abilities. No scholarships were withdrawn in the year as a result of reviews.

### HMC Scholars

In the early 1990s, as communism collapsed in eastern Europe, the Headmasters' and Headmistresses' Conference (HMC) supported a sixth form scholarship scheme to provide educational opportunities for young people in countries that had been behind the Iron Curtain. HMC Projects, as it was called, aimed to identify talented 16 and 17 year olds and give them the opportunity to study and live at a British boarding school. The aim of the scholarship programme is to foster bonds of understanding and friendship between young people across Europe and to give young people from the former communist countries in Central and Eastern Europe an enriching and rewarding experience in some of the best schools in the world. In 2019 Scarborough College first offered a place to a scholar. By 2021 the College had 3 scholars in Year 13 and 3 in Year 12. The value of such Scholarships in the school year totalled £170,190.

### Royal SpringBoard

Royal SpringBoard is the UK's largest bursary charity, helping disadvantaged and vulnerable children from across the UK to access fully funded bursaries at leading schools. It is a social mobility charity focusing on harnessing the power of educational opportunities at some of the UK's leading schools to benefit young people who need them the most. In 2019 Scarborough College supported 3 pupils from across the UK by giving them access to a life-changing education. The value of such Scholarships in the school year totalled £56,769.

### Our ethos; a caring College serving our local community and society

The governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education the College provides.

**REPORT OF THE TRUSTEES  
for the year ended 31 August 2021**

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**OBJECTIVES AND ACTIVITIES**

Scarborough College is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the College, and at a level that is consistent with our aim of providing a first class education to boys and girls from all backgrounds of the local community and beyond. To admit a prospective pupil we need to be satisfied that the College will be able to educate and develop him/her to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments and interviews are undertaken to satisfy the College and parents that potential pupils can cope with the pace of learning and benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the assessment process.

The College is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. The College makes reasonable adjustments to meet the needs of staff or pupils who are or become disabled, The College is committed to safeguarding and promoting the welfare of the pupils and expects all staff and volunteers to share this commitment.

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The College maintains regular contact with parents throughout the year through informal contacts and the fortnightly newsletter (The Owl). All pupils have a Form Tutor responsible for pastoral care and academic development.

**Volunteers**

The Friends of Scarborough College, and the Old Scardeburgians Association (OSA) both continue to support the College in many ways. Both groups fund raise to support projects in the College including enhancement of the facilities. The OSA also holds regular functions to bring present and past pupils together both through sport and socially. Furthermore, the OSA sponsor scholarships as part of the scholarship and bursary scheme operated by the College. The Board continues to be extremely grateful for all their efforts, and the enthusiastic support of both groups creates a strong bond between the College and parents, helping to strengthen community spirit.

**STRATEGIC REPORT**

**Achievement and performance**

The public examination results this year continue to be excellent. Students were successful at gaining places at the top universities. At GCSE, 96% of students passed 5 or more GCSEs at grades A\* to C (9-4) At IB, 36% of our students achieved 38 points or more, with an average IB score of 35.3 which was above the world average of 33.02 points.

In accordance with its mission, the College continues to provide excellent quality in music, art and performing arts lessons, as well as sports coaching. The College's representative teams in the main sports achieve successes sometimes beyond what could be expected with regard to current funds and facilities compared to those of the opponents

Both the depth of activities as well as the qualities of the activities is highlighted by the College's Enrichment Programme, and Yorkshire Grit.

Cricket Centre of Excellence

The Cricket Centre of Excellence is a partnership between Scarborough College and Pro Coach Yorkshire Cricket Academy. Pupils benefit from first-class facilities, such as training at Headingley, as well as first class coaching. The College has 2 former international cricketers as coaches and a number of coaches with either First Class Cricket or Minor County experience.

The tailor-made programme ensures that the needs of the players are met and addresses all aspects of what makes a successful cricketer. As well as aiming to get players to get involved in matches of a suitably high calibre, the programme also focuses on facets such as strength and conditioning and nutritional advice

Golf Centre of Excellence

With the College grounds adjacent to the grounds of South Cliff Golf Club, the school has formed a partnership to help develop players from beginners to those aiming for a professional career. Mr Ivan Oliver, the Head Pro, has been working with Scarborough College as part of our Yorkshire Grit programme as well as school fixtures. In 2020 this success saw the launch of the Golf Centre of Excellence.

The Golf Centre of Excellence provides athlete specific and individual development in small groups and one-to-one sessions. The training regime takes into account fitness, strength and conditioning, nutrition and playing ability and progress. Players have an opportunity to play in club-based competitions as well as the opportunity to represent Scarborough College against other schools.

**REPORT OF THE TRUSTEES**  
for the year ended 31 August 2021

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**STRATEGIC REPORT**

**Financial review**

The full financial statements and the Auditors' Report can be found in the accompanying Annual Accounts for the year.

The College produced a deficit in 2020-2021 of £652,658. This does include income of £2,990 relating to the fair value adjustment on the defined benefit pension scheme. It also includes a provision of £450,000 for an exceptional item relating to ongoing litigation surrounding the historic use of a since demolished building. In addition, there is also a one-off impairment provision of £94,400 relating to the part of the College's estate. It is planned that the College will next year be once again in surplus and hoped that this position can be maintained for future years.

The principal source of income is fees accounting for 95% of the College's total income. The governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of the College.

As a charity the parents of the pupils have the assurance that all income of the College must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains, provided these are applied for our charitable aims. As a charity we are also entitled to an 80% reduction in our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for the educational purposes and indirectly help us to maintain our bursary policy and out-reach programme.

However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits the College brings to our pupils, the local community and society through the education we offer, our bursary programme and our out-reach work create a social asset without a cost to the Government.

**Developments and Maintenance**

Due to COVID-19 many major projects had to be put on hold this year. However, the College is committed to the continuation and final re-roofing works and continuing the window replacement.

**Key Performance Indicators**

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
|  | 2021  | 2020  | 2019  | 2018  | 2017  |
| IB exam pass rate  | 100%  | 81%   | 80%   | 88%   | 88%   |
| GCSE exam pass rate (9-4)  | 96%   | 89%   | 90%   | 89%   | 88%   |
| Net fee income (£000)  | 5,431 | 4,709 | 4,888 | 4,989 | 4,416 |
| Non fee income (£000)  | 258   | 621   | 191   | 888   | 264   |
| Net incoming (outgoing) resources before fair value adjustments (£000) | (655) | (23)  | (258) | 736   | 228   |
| Capital expenditure (£000)   | 173   | 416   | 3,106 | 507   | 333   |

**Reserves Policy**

The governors regularly review the finances, budgets and spend against budget together with a cash flow analysis as part of the effective stewardship of the College.

In common with other independent schools, the governors have invested substantial sums into the College buildings and have a continuing programme of refurbishment and development to maintain the excellent teaching facilities for our pupils.

The Company's unrestricted funds stood at £2,299,310 at the year end, and these were wholly deployed in funding the College's Capital Expenditure on the premises and equipment. The company's restricted funds stood at £75,976 at the year end.

The policy of the trustees and the directors of Scarborough College is to aim to retain reserves of £1.3 million or more. This is equivalent to approximately three months' expenditure, by means of annual operating surpluses, subject to the prior demands of further capital and revenue expenditure needed to maintain the high standard of the educational facilities provided at the College.

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2021**

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**STRATEGIC REPORT**

**Future plans**

The governors intend to continue their current strategies of maintaining the College's position in a competitive market by investing to provide high quality education for our pupils. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided.

The Headmaster and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for our pupils' development.

The governors need to maintain an equitable balance ensuring our current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils in the same way as our current pupils benefit today from past investment.

The governors view our bursary and scholarship awards as important in widening our access to the education our College provides.

Maintaining and, where necessary, developing the fabric and facilities of the College are central to our strategy. Our plans are primarily focused on the completion of the main college re-roofing works, replacement of windows and the development of boarding houses.

We have a programme of planned maintenance and investment with the upgrading of our art block, theatre and science laboratories a priority.

During and after the financial year end there has been a global pandemic, COVID 19, which has affected all businesses. It has in turn affected Scarborough College which went into lock down prior to the 2020 Easter holidays and at the start of the January 2021 term. The College successfully implemented an online educational programme for all pupils and continues to do so.

Although COVID-19 remains active, the College fully re-opened in September 2020 in line with Government guidance and pupil numbers still remain extremely buoyant throughout and predictions for September 2021 looking healthy.

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The College has arranged qualifying third party indemnity for all of its directors.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The company is governed by its Memorandum and Articles of Association first issued on 4 December 1896 and filed at Companies House most recently on 29 September 2018.

**Governing Body**

The directors, who are also the charity trustees, are responsible for the overall management and control of the College and meet four times a year at various sub committees, and also four times a year as the full board. The work of implementing their policies is carried out through several governors' sub committees. The sub committees include a Finance and Management Committee, Education and Welfare Committee, and a Marketing Committee. The Board is a self-appointing body, and directors are elected at a full directors' meeting of the Company. The College Business Manager is responsible for co-ordination the work of the governors and their Committees, preparation of papers and management accounts, and the review of matters arising.

**Recruitment and appointment of new trustees**

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new governors, the important attribute is a passion for the work of the College and an understanding of education as a holistic and rounded experience of personal growth. Where possible the governors consider that the skills and experience of the Board should comprise of the following:

- A governor with a legal background.
- A governor with a financial/accounting background.
- A governor with education experience and background.
- A governor with senior managerial or business experience.
- A governor with HR/employment law experience.
- A governor with property/surveying experience.

On appointment, new governors are inducted into the workings of the Board and their responsibilities as directors, charity trustees and school governors. The Charity has no formal governor training procedures in place. However, governors are encouraged to attend training courses and seminars run by AGBIS (The Association of Governing Bodies of Independent Schools). Additionally, governors are encouraged to take a full part in the activities of the College including attendance at concerts and sports events, plus time in the classroom observing lessons.

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2021**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Other relationships**

The Headmaster is a member of the Society of Heads, attending the society conference which is an opportunity to share expertise, knowledge and experience across the independent school sector. The conference also permits appropriate representation to Government and regulators of the views of the sector. The College is also a member of IAPS and BSA, whilst also holding IB World School status.

**Organisational management**

The governors and trustees meet as a Board at least four times a year (October, December, March and June) to determine the general policy of the Company and review the overall management and control, for which they are legally responsible. The work of implementing most of their policies is carried out by the Finance and Management Committee, chaired by Mr A S Green, and which meets regularly prior to each meeting of the full Governing Board, and on other occasions when necessary to regulate the administration of the College. The other principal committee is the Education and Welfare Committee, which as its title indicates, focuses on matters relating to education/curriculum and welfare.

The governors determine the general policy of the College but the day to day running of the College is delegated to the Headmaster, supported by the Senior Management Team. The Headmaster undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of both the Prep and Senior schools is undertaken within the policies and procedures approved by the governors which provide for only significant expenditure decisions and major capital projects to be referred to the governors for prior approval. The approval process is detailed within the Financial Regulations of the College.

The Headmaster oversees the recruitment of all educational staff, whilst, under delegated authority, the Business Manager oversees the recruitment of administrative and non-teaching support staff. The Headmaster, Head of the Prep School and Business Manager attend governors' meetings.

**Key management personnel**

The governors consider that they, together with the Headmaster, The Business Manager and the Prep School Headmaster comprise the key management personnel (see note 12 to the accounts). The governors give of their time freely and the pay and the remuneration of the Headmaster and senior staff is set by the Board and is kept under annual review.

The College operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools. This allows the College to remain an attractive employer in the independent school sector.

The bands are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the College and also increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

**Related parties**

None of the governors receives remuneration or other benefits from their work with the College. Any contractual relationships must be disclosed and notes of interest are retained in written form.

Three of the governors had children enrolled in the school during the year with the fees payable at normal published rates. This does not affect their capability to make independent and fair decisions but, if there is a specific situation where there may be conflicted interests, governors will remove themselves from meetings.

One of the governors, Mr R Guthrie, is a director and person with significant control of Broadland Properties Limited. During the year a sum of £60,000 (2020: £60,000) was paid to Broadland Properties for property rental on an arm's length basis.

**Risk management**

The governors and the Board of Scarborough College, with particular assistance from the College Finance and Management Committee, have examined the principal areas of the College's operations and have considered the major areas of strategic, operational and business risk which the College faces. The Directors actively review the major risks that may arise on a regular basis, as well as the systems and procedures established to manage them, ensuring that those risks already identified can be mitigated. All of the identified risks are contained within the College Risk Management Summary.

**REFERENCE AND ADMINISTRATIVE DETAILS**

Scarborough College Limited is a charitable company, incorporated in 1896 as a private limited company, which founded the school in 1898 and was subsequently placed on the Register of Charities in 1962.

**Registered Company number**

00050404 (England and Wales)

**SCARBOROUGH COLLEGE LIMITED**

**REPORT OF THE TRUSTEES  
for the year ended 31 August 2021**

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**Registered Charity number**

529686

**Registered office**

Filey Road  
Scarborough  
North Yorkshire  
YO11 3BA

**Trustees**

Mrs R S Clements  
J A Cliffe  
S N Fairbank  
Mrs V J Gillingham  
A S Green  
R Guthrie  
J R Marshall  
Dr J Renshaw  
Dr I G H Renwick (resigned 9.10.21)  
J S Rowlands  
J F W Swiers  
G N M Young  
J J Cook (resigned 20.9.20)

**Company Secretary**

Miss A J Higgins

**Auditors**

Moore  
Statutory Auditors  
Chartered Accountants  
12 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

**Bankers**

Lloyds  
1 St Nicholas Street  
Scarborough  
North Yorkshire  
YO11 2YY

**Solicitors**

Lupton Fawcett Denison Till  
Yorkshire House  
East Parade  
Leeds  
LS1 5BD

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Scarborough College Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2021**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

Company law requires the trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 trustees are aware:

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6 January 2022 and signed on the board's behalf by:

Dr J Renshaw - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED

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### **Opinion**

We have audited the financial statements of Scarborough College Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

### **Emphasis of matter**

We draw attention to notes 24 and 28 which relate to a legal provision made in these accounts. Our opinion is not qualified in this respect.

### **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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SCARBOROUGH COLLEGE LIMITED**

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**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 Report of the Trustees.

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

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

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the 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 but to do so.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED

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### **Our responsibilities for the audit of the financial statements**

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Companies Act 2006, Charities Statement of Recommended Practice, UK financial reporting standards as issued by the Financial Reporting Council, employment, environmental and health and safety legislation.

We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance and inquired as to any known or suspected instances of non-compliance with laws and regulations.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- inquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the charity's legal advisors as necessary.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement on the financial statements or non-compliance with regulation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SCARBOROUGH COLLEGE LIMITED**

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**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 auditors' 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.

Sarah-Jane Sargent (Senior Statutory Auditor)  
for and on behalf of Moore  
Statutory Auditors  
Chartered Accountants  
12 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

6 January 2022

SCARBOROUGH COLLEGE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
for the year ended 31 August 2021

|   | Notes | Unrestricted funds<br>£ | Restricted funds<br>£ | Endowment fund<br>£ | 2021 Total funds<br>£   | 2020 Total funds<br>£   |
|---|-------|-------------------------|-----------------------|---------------------|-------------------------|-------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>                   |       |                         |                       |                     |                         |                         |
| Donations and legacies                              | 3     | 6,558                   | 6,000                 | -                   | 12,558                  | 8,914                   |
| <b>Charitable activities</b>                        | 6     |                         |                       |                     |                         |                         |
| Provision of education                              |       | 5,283,989               | 147,118               | -                   | 5,431,107               | 4,709,138               |
| Other trading activities                            | 4     | 189,250                 | -                     | -                   | 189,250                 | 148,050                 |
| Investment income                                   | 5     | 1,154                   | -                     | -                   | 1,154                   | 6,684                   |
| Other income  |       | <u>54,689</u>           | <u>-</u>              | <u>-</u>            | <u>54,689</u>           | <u>457,714</u>          |
| <b>Total</b>  |       | <b>5,535,640</b>        | <b>153,118</b>        | <b>-</b>            | <b>5,688,758</b>        | <b>5,330,500</b>        |
| <b>EXPENDITURE ON</b>                               |       |                         |                       |                     |                         |                         |
| Raising funds                                       | 7     | 423,551                 | -                     | -                   | 423,551                 | 341,077                 |
| <b>Charitable activities</b>                        | 8     |                         |                       |                     |                         |                         |
| Provision of education                              |       | 5,283,795               | 147,141               | -                   | 5,430,936               | 5,012,066               |
| Other   | 10    | <u>489,529</u>          | <u>-</u>              | <u>-</u>            | <u>489,529</u>          | <u>-</u>                |
| <b>Total</b>  |       | <b>6,196,875</b>        | <b>147,141</b>        | <b>-</b>            | <b>6,344,016</b>        | <b>5,353,143</b>        |
| Net gains/(losses) on investments                   |       | <u>-</u>                | <u>-</u>              | <u>-</u>            | <u>-</u>                | <u>(2)</u>              |
| <b>NET INCOME/(EXPENDITURE)</b>                     |       | <b>(661,235)</b>        | <b>5,977</b>          | <b>-</b>            | <b>(655,258)</b>        | <b>(22,645)</b>         |
| <b>Transfers between funds</b>                      | 25    | <u>6,000</u>            | <u>(6,000)</u>        | <u>-</u>            | <u>-</u>                | <u>-</u>                |
| <b>Other recognised gains/(losses)</b>              |       |                         |                       |                     |                         |                         |
| Actuarial gains/(losses) on defined benefit schemes |       | <u>2,990</u>            | <u>-</u>              | <u>-</u>            | <u>2,990</u>            | <u>(3,855)</u>          |
| <b>Net movement in funds</b>                        |       | <b>(652,245)</b>        | <b>(23)</b>           | <b>-</b>            | <b>(652,268)</b>        | <b>(26,500)</b>         |
| <b>RECONCILIATION OF FUNDS</b>                      |       |                         |                       |                     |                         |                         |
| <b>Total funds brought forward</b>                  |       | <b>2,951,555</b>        | <b>75,897</b>         | <b>102</b>          | <b>3,027,554</b>        | <b>3,054,054</b>        |
| <b>TOTAL FUNDS CARRIED FORWARD</b>                  |       | <u><b>2,299,310</b></u> | <u><b>75,874</b></u>  | <u><b>102</b></u>   | <u><b>2,375,286</b></u> | <u><b>3,027,554</b></u> |

The notes form part of these financial statements

SCARBOROUGH COLLEGE LIMITED

BALANCE SHEET

31 August 2021

|  | Notes | Unrestricted funds<br>£ | Restricted funds<br>£ | Endowment fund<br>£ | 2021<br>Total funds<br>£ | 2020<br>Total funds<br>£ |
|--|-------|-------------------------|-----------------------|---------------------|--------------------------|--------------------------|
| <b>FIXED ASSETS</b>                          |       |                         |                       |                     |                          |                          |
| Intangible assets                            | 15    | 39,026                  | -                     | -                   | 39,026                   | 20,529                   |
| Tangible assets                              | 16    | 7,288,116               | -                     | -                   | 7,288,116                | 7,548,175                |
|  |       | 7,327,142               | -                     | -                   | 7,327,142                | 7,568,704                |
| <b>CURRENT ASSETS</b>                        |       |                         |                       |                     |                          |                          |
| Stocks                                       | 17    | 7,174                   | -                     | -                   | 7,174                    | 11,608                   |
| Debtors                                      | 18    | 4,318,774               | -                     | -                   | 4,318,774                | 4,202,700                |
| Cash at bank                                 |       | 1,105,962               | 75,874                | 102                 | 1,181,938                | 304,468                  |
|  |       | 5,431,910               | 75,874                | 102                 | 5,507,886                | 4,518,776                |
| <b>CREDITORS</b>                             |       |                         |                       |                     |                          |                          |
| Amounts falling due within one year          | 19    | (6,982,083)             | -                     | -                   | (6,982,083)              | (5,935,136)              |
| <b>NET CURRENT ASSETS</b>                    |       |                         |                       |                     |                          |                          |
|  |       | (1,550,173)             | 75,874                | 102                 | (1,474,197)              | (1,416,360)              |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                         |                       |                     |                          |                          |
|  |       | 5,776,969               | 75,874                | 102                 | 5,852,945                | 6,152,344                |
| <b>CREDITORS</b>                             |       |                         |                       |                     |                          |                          |
| Amounts falling due after more than one year | 20    | (2,669,071)             | -                     | -                   | (2,669,071)              | (2,729,071)              |
| <b>PROVISIONS FOR LIABILITIES</b>            |       |                         |                       |                     |                          |                          |
|  | 24    | (450,000)               | -                     | -                   | (450,000)                | -                        |
| <b>PENSION LIABILITY</b>                     |       |                         |                       |                     |                          |                          |
|  | 26    | (358,588)               | -                     | -                   | (358,588)                | (395,719)                |
| <b>NET ASSETS</b>                            |       |                         |                       |                     |                          |                          |
|  |       | 2,299,310               | 75,874                | 102                 | 2,375,286                | 3,027,554                |

The notes form part of these financial statements

SCARBOROUGH COLLEGE LIMITED

BALANCE SHEET - continued

31 August 2021

| FUNDS                           | Notes | 2021<br>£               | 2020<br>£               |
|---------------------------------|-------|-------------------------|-------------------------|
| <b>Called up share capital:</b> | 29    |                         |                         |
| Called up share capital         |       | 5,507                   | 5,507                   |
| <b>Unrestricted funds:</b>      | 25    |                         |                         |
| General fund                    |       | 2,278,563               | 2,930,808               |
| Revaluation reserve             |       | <u>15,240</u>           | <u>15,240</u>           |
|                                 |       | <u>2,299,310</u>        | <u>2,951,555</u>        |
| <b>Restricted funds:</b>        | 25    |                         |                         |
| Peggy Bailey legacy             |       | 73,470                  | 73,470                  |
| Early Years                     |       | 1,304                   | 1,327                   |
| Cricket pavilion fund           |       | <u>1,100</u>            | <u>1,100</u>            |
|                                 |       | <u>75,874</u>           | <u>75,897</u>           |
| <b>Endowment funds:</b>         | 25    |                         |                         |
| Endowment funds                 |       | <u>102</u>              | <u>102</u>              |
| <b>TOTAL FUNDS</b>              |       | <u><u>2,375,286</u></u> | <u><u>3,027,554</u></u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 6 January 2022 and were signed on its behalf by:

J Renshaw - Trustee

SCARBOROUGH COLLEGE LIMITED

**CASH FLOW STATEMENT**  
for the year ended 31 August 2021

| Notes   | 2021<br>£        | 2020<br>£        |
|---|------------------|------------------|
| <b>Cash flows from operating activities</b>                         |                  |                  |
| Cash generated from operations                                      | 1,308,627        | (232,222)        |
| Interest paid   | <u>(128,107)</u> | <u>(127,941)</u> |
| Net cash provided by/(used in) operating activities                 | <u>1,180,520</u> | <u>(360,163)</u> |
| <b>Cash flows from investing activities</b>                         |                  |                  |
| Purchase of intangible fixed assets                                 | (27,028)         | (24,635)         |
| Purchase of tangible fixed assets                                   | (220,796)        | (912,908)        |
| Sale of tangible fixed assets                                       | -                | 230,600          |
| Interest received   | <u>1,154</u>     | <u>6,684</u>     |
| Net cash used in investing activities                               | <u>(246,670)</u> | <u>(700,259)</u> |
| <b>Cash flows from financing activities</b>                         |                  |                  |
| New loans in year   | -                | 509,733          |
| Loan repayments in year   | (56,260)         | -                |
| Capital repayments in year  | <u>(120)</u>     | <u>(120)</u>     |
| Net cash (used in)/provided by financing activities                 | <u>(56,380)</u>  | <u>509,613</u>   |
| <b>Change in cash and cash equivalents in the reporting period</b>  |                  |                  |
| Cash and cash equivalents at the beginning of the reporting period  | 877,470          | (550,809)        |
| Cash and cash equivalents at the end of the reporting period        | <u>304,468</u>   | <u>855,277</u>   |
| <b>Cash and cash equivalents at the end of the reporting period</b> |                  |                  |
|   | <u>1,181,938</u> | <u>304,468</u>   |

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT  
for the year ended 31 August 2021

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

|  | 2021                    | 2020                    |
|--|-------------------------|-------------------------|
|  | £                       | £                       |
| <b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b> | (655,258)               | (22,645)                |
| <b>Adjustments for:</b>  |                         |                         |
| Depreciation charges   | 320,567                 | 286,977                 |
| Losses on investments  | -                       | 2                       |
| Profit on disposal of fixed assets   | -                       | (230,600)               |
| Interest received  | (1,154)                 | (6,684)                 |
| Interest paid  | 128,107                 | 127,941                 |
| Increase/(decrease) in provisions  | 415,859                 | (36,477)                |
| Impairment charges   | 94,400                  | -                       |
| Decrease/(increase) in stocks  | 4,434                   | (11,608)                |
| Increase in debtors  | (116,074)               | (547,470)               |
| Increase in creditors  | <u>1,117,746</u>        | <u>208,342</u>          |
| <b>Net cash provided by/(used in) operations</b>   | <u><u>1,308,627</u></u> | <u><u>(232,222)</u></u> |

2. ANALYSIS OF CHANGES IN NET DEBT

|                                 | At 1.9.20                 | Cash flow             | At 31.8.21                |
|---------------------------------|---------------------------|-----------------------|---------------------------|
|                                 | £                         | £                     | £                         |
| <b>Net cash</b>                 |                           |                       |                           |
| Cash at bank                    | <u>304,468</u>            | <u>877,470</u>        | <u>1,181,938</u>          |
|                                 | <u>304,468</u>            | <u>877,470</u>        | <u>1,181,938</u>          |
| <b>Debt</b>                     |                           |                       |                           |
| Finance leases                  | (2,040)                   | 120                   | (1,920)                   |
| Debts falling due within 1 year | (63,119)                  | (3,620)               | (66,739)                  |
| Debts falling due after 1 year  | <u>(2,727,151)</u>        | <u>59,880</u>         | <u>(2,667,271)</u>        |
|                                 | <u>(2,792,310)</u>        | <u>56,380</u>         | <u>(2,735,930)</u>        |
| <b>Total</b>                    | <u><u>(2,487,842)</u></u> | <u><u>933,850</u></u> | <u><u>(1,553,992)</u></u> |

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

COVID-19 is not expected to have a significant impact on the College. The Governors have determined that there is no material uncertainty that casts doubt on the College's ability to continue as a going concern. It expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future performance, or the effects on some future asset valuations.

The College therefore continues to adopt the going concern basis in preparing its financial statements.

**Income**

Fees receivable, and charges for services and use of the premises, are accounted for in the academic year in which the service is provided. Fees receivable are after deduction of bursaries and allowances. Where fees are received in advance they are deferred until the criteria for income recognition are met. Donations and other income are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Legacies**

Entitlement is when income is probable and measurable. A legacy receipt is normally probable when there has been a grant of probate, executors have established that there are sufficient assets, and any conditions attached to the legacy are in control or met by the charity. A legacy is measurable when it can be measured or estimated with sufficient reliability.

**Government grants receivable**

Grants are recognised using the performance model. Grant income is recognised once both the income recognition criteria and terms and conditions attached to the grant are met. Grants receivable as compensation for expenses or losses already incurred, or for the purpose of receiving immediate financial support, are recognised in other operating income in the period in which they become receivable.

**Expenditure**

All expenditure is accounted for on an accruals basis and has been classified on an actual basis wherever possible. Overhead and other costs not directly attributable to particular functional activity categories are apportioned on the basis of management estimates of the amount attributable to that category in the year, either by reference to staff time or space occupied, as appropriate. Costs include attributable VAT which cannot be recovered.

**Allocation of support costs**

Support costs are those functions that assist the work of the College but do not directly undertake charitable activity. Support costs include the costs of office salaries and governance costs which support the College in the provision of education. The bases on which support costs have been allocated are set out in note 9.

**Intangible assets**

Intangible assets comprise of a marketing film and website development costs, both of which are being amortised over their useful estimated lives of five years. Website development costs are capitalised on the basis that they meet the recognition criteria of an asset, namely that future economic benefits will flow to the entity.

Amortisation is recognised as an expense within the expenditure on charitable activities heading within the Statement of Financial Activities.

1. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

Fixed assets are included in the accounts at cost less depreciation. Freehold land and buildings costs comprise previous revaluations as deemed cost on transition to FRS 102 and subsequent additions at cost. Depreciation of fixed assets has been provided at various rates which are anticipated to amortise the cost less residual value over the assets' expected useful lives. Indicative annual rates are:-

|   |                                  |
|---|----------------------------------|
| Freehold land                             | 0%                               |
| Freehold buildings                        | 0%-4% straight line              |
| Short leasehold property improvements     | over the term of the lease       |
| Motor rollers and mowers                  | 20% straight line                |
| Computers and other short life equipment  | 20%- 33% straight line           |
| Other equipment, furnishings and fittings | 2%, 5%, 10% or 20% straight line |

Management has estimated the useful life of the freehold buildings, except for Weaponness House, to be at least 100 years. Management have estimated the residual value of the freehold buildings to be generally higher than their book value and have accordingly charged no depreciation. Weaponness House has been assessed separately and improvements are being depreciated over a useful life of 25 years.

There is no specific capitalisation threshold for tangible fixed assets. Impairment reviews are undertaken annually for freehold land and buildings and for other assets when there is indication an asset may be impaired.

**Inventories**

Inventories are included at the lower of cost or net realisable value on the first in, first out (FIFO) basis.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted income funds are available for use at the discretion of the trustees in furtherance of the general objectives of the College. Restricted income funds are funds to be used in accordance with specific restrictions imposed by donors or funds which have been raised for a particular purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The company contributes to the Independent Schools' Pension defined benefit schemes at rates set by the schemes' actuaries. The scheme is a multi-employer pension scheme, as a result of which it is neither possible nor appropriate to identify the assets and liabilities of the scheme which are attributable to the College. In accordance with FRS 102, the schemes are accounted for as defined contribution schemes. Contributions are charged in the financial statements in the period when they fall due. When the scheme is in deficit and where the College has agreed to a deficit funding arrangement, the College recognises a liability for this obligation.

The company also operates two defined contribution schemes and the pension charge represents the amounts payable by the company to the pension funds in respect of the year.

**Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, other accounts receivable and payable and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Debt instruments, such as loans and other accounts receivable or payable, are initially measured at present value of the future payments and subsequently at amortised costs using the effective interest method.

**Comparatives**

Comparative figures have been amended to reflect a better classification between the costs of raising funds and support costs.

**1. ACCOUNTING POLICIES - continued**

**True and fair override**

Advantage has been taken of a true and fair override in that bank loans falling due after more than one year of £2,667,271 have not been reclassified as current liabilities as required by FRS 102, following a technical breach of a banking covenant described more fully in note 28. The directors have concluded this departure is considered necessary to give a true and fair view as the covenant breach has been waived by the bank post year end and the original repayment terms of the loans therefore remain unaltered.

**2. SIGNIFICANT JUDGEMENTS AND ESTIMATES**

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

**Critical judgements in applying the company's policies**

Impairment reviews

Impairment reviews are undertaken where there is an indication that an asset may be impaired. The recoverable amounts of freehold properties including integral features are based on valuations prepared by external professional RICS valuers and management's assessment of the present value of future cash flows expected to be derived from the asset.

**Critical accounting estimates and assumptions**

Useful economic lives and residual values of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The assumptions used regarding useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on market conditions and the physical condition of the assets.

Provision against liabilities

Provisions are recognised when there is a present obligation as a result of a past event, where a transfer of economic benefits is probable to settle the obligation and this can be reliably measured. From time to time, the company is required to make provision for pending legal claims. The entity makes use of available relevant legal expertise to establish whether quantum can be reliably measured in such cases. Based on this information, the college makes a provision based on the best estimate of the amount potentially required to settle the obligation including costs, taking into account the time value of money where material.

The directors do not consider that any other judgements, estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3. DONATIONS AND LEGACIES**

|           | 2021          | 2020         |
|-----------|---------------|--------------|
|           | £             | £            |
| Donations | <u>12,558</u> | <u>8,914</u> |

The income from donations and legacies was £12,558 of which £6,000 (2020: £1,100) was restricted and £6,558 (2020: £7,814) was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 August 2021

4. OTHER TRADING ACTIVITIES

|                                  | 2021           | 2020           |
|----------------------------------|----------------|----------------|
|                                  | £              | £              |
| Bus income                       | 80,215         | 59,971         |
| Special educational needs income | 59,124         | 34,314         |
| Holiday club income              | -              | 6,073          |
| Registration fees                | 12,521         | 13,198         |
| School holiday and hiring income | 6,983          | 9,195          |
| Other trading income             | 30,407         | 25,299         |
|                                  | <u>189,250</u> | <u>148,050</u> |

5. INVESTMENT INCOME

|                          | 2021         | 2020         |
|--------------------------|--------------|--------------|
|                          | £            | £            |
| Deposit account interest | <u>1,154</u> | <u>6,684</u> |

The income from investments was all unrestricted.

6. INCOME FROM CHARITABLE ACTIVITIES

|            | Activity               | 2021               | 2020               |
|------------|------------------------|--------------------|--------------------|
|            |                        | £                  | £                  |
| Gross fees | Provision of education | 7,202,500          | 6,107,427          |
| Allowances | Provision of education | <u>(1,771,393)</u> | <u>(1,398,289)</u> |
|            |                        | <u>5,431,107</u>   | <u>4,709,138</u>   |

The income from school fees was £5,431,107 (2020: £4,709,138) of which £5,283,989 (2020: £4,577,538) was unrestricted and £147,118 (2020: £131,600) was restricted. Included within restricted funds is early years funding to fund early years education of pupils aged between 3 and 5 years old.

7. RAISING FUNDS

Raising funds

|                      | 2021           | 2020           |
|----------------------|----------------|----------------|
|                      | £              | £              |
| Bank charges         | 27,500         | 25,215         |
| Bank loan interest   | 124,511        | 113,602        |
| Other interest       | 3,423          | 9,240          |
| Bad debts            | 41,757         | 24,231         |
| Agent commission     | 205,144        | 149,191        |
| Debt collection fees | 21,216         | 19,598         |
|                      | <u>423,551</u> | <u>341,077</u> |

**8. CHARITABLE ACTIVITIES COSTS**

|                        | Direct<br>Costs<br>£ | Support<br>costs (see<br>note 9)<br>£ | Totals<br>£      |
|------------------------|----------------------|---------------------------------------|------------------|
| Provision of education | <u>4,527,979</u>     | <u>902,957</u>                        | <u>5,430,936</u> |

Expenditure on charitable activities was £5,430,936 (2020: £5,012,066) of which £147,141 (2020: £131,068) was restricted and £5,283,795 (2020: £4,880,988) unrestricted.

**9. SUPPORT COSTS**

The College initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are allocated to the charitable activity undertaken in the year. Refer to the table below for the basis of apportionment and the analysis of support and governance.

|   | General support<br>£ | Governance<br>function<br>£ | Total<br>£     | Basis of<br>apportionment |
|---|----------------------|-----------------------------|----------------|---------------------------|
| Salaries                                  | 394,410              | -                           | 394,410        | Support costs             |
| Staff superannuation                      | 12,765               | -                           | 12,765         | Support costs             |
| HR services                               | 14,049               | -                           | 14,049         | Support costs             |
| Advertising and marketing                 | 136,449              | -                           | 136,449        | Support costs             |
| Telephone                                 | 38,971               | -                           | 38,971         | Support costs             |
| Postage and stationery                    | 119,774              | -                           | 119,774        | Support costs             |
| Vehicles                                  | 127,839              | -                           | 127,839        | Support costs             |
| Amortisation                              | 8,531                | -                           | 8,531          | Support costs             |
| Depreciation                              | 3,173                | -                           | 3,173          | Support costs             |
| Auditors' remuneration                    | -                    | 12,000                      | 12,000         | Governance                |
| Auditors' remuneration for non audit work | -                    | 6,590                       | 6,590          | Governance                |
| Governors indemnity insurance             | -                    | 1,051                       | 1,051          | Governance                |
| Legal and professional fees               | -                    | 27,355                      | 27,355         | Governance                |
|   | <u>855,961</u>       | <u>46,996</u>               | <u>902,957</u> |                           |

**10. OTHER**

Other expenditure relates to a pending historic legal claim against the College and includes incurred and anticipated legal costs.

**11. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

|   | 2021<br>£       | 2020<br>£        |
|---|-----------------|------------------|
| Auditors' remuneration                    | 12,000          | 10,910           |
| Auditors' remuneration for non audit work | 6,590           | 7,346            |
| Depreciation - owned assets               | 312,036         | 281,888          |
| Impairment - owned assets                 | 94,400          | -                |
| Surplus on disposal of fixed assets       | -               | (230,600)        |
| Marketing film amortisation               | 3,604           | 983              |
| Website development costs amortisation    | 4,927           | 4,106            |
| Operating leases - equipment              | 87,421          | 56,559           |
| Operating leases - property               | 62,273          | 62,277           |
| Bank loan interest payable                | 124,511         | 113,602          |
| Government grants receivable              | <u>(54,689)</u> | <u>(149,769)</u> |

During the year, the College received £42,689 (2020: £149,769) in relation to the Covid-19 Job Retention Scheme. It also received a further £12,000 (2020: £nil) in relation to its participation in a Covid-19 pilot testing scheme.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 August 2021

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2021 nor for the year ended 31 August 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

13. STAFF COSTS

|                       | 2021<br>£               | 2020<br>£               |
|-----------------------|-------------------------|-------------------------|
| Wages and salaries    | 2,752,224               | 2,631,640               |
| Social security costs | 249,063                 | 237,957                 |
| Other pension costs   | <u>315,704</u>          | <u>342,471</u>          |
|                       | <u><u>3,316,991</u></u> | <u><u>3,212,068</u></u> |

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The College governors were not paid and did not receive any other benefits from employment with the College in the year, neither were they reimbursed expenses during the year. No governor received payment for professional or other services supplied to the College.

The key management personnel of the College comprise the governors, the Headmaster, the Headmaster of the Prep School and the Business Manager. The total employee benefits, including employer pension contributions, of the key management personnel of the College were £275,510 (2020: £269,883).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                     | 2021            | 2020            |
|---------------------|-----------------|-----------------|
| £60,001 - £70,000   | 1               | 1               |
| £100,001 - £110,000 | <u>1</u>        | <u>1</u>        |
|                     | <u><u>2</u></u> | <u><u>2</u></u> |

The cost of providing a defined contribution pension for these employees was £20,225 (2020: £18,153).

The average monthly head count was 110 staff (2020: 106 staff) and the average number of employees, analysed by function, was as follows:

|                            | 2021<br>Number    | 2020<br>Number    |
|----------------------------|-------------------|-------------------|
| Tuition                    | 61                | 63                |
| Administration and service | <u>49</u>         | <u>43</u>         |
|                            | <u><u>110</u></u> | <u><u>106</u></u> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 August 2021

13. STAFF COSTS - continued

The average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

|                            | 2021<br>Number | 2020<br>Number |
|----------------------------|----------------|----------------|
| Tuition                    | 49             | 53             |
| Administration and service | <u>38</u>      | <u>33</u>      |
|                            | <u>87</u>      | <u>86</u>      |

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

|   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Endowment<br>fund<br>£ | Total<br>funds<br>£ |
|---|----------------------------|--------------------------|------------------------|---------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>                   |                            |                          |                        |                     |
| Donations and legacies                              | 7,814                      | 1,100                    | -                      | 8,914               |
| <b>Charitable activities</b>                        |                            |                          |                        |                     |
| Provision of education                              | 4,577,538                  | 131,600                  | -                      | 4,709,138           |
| Other trading activities                            | 148,050                    | -                        | -                      | 148,050             |
| Investment income                                   | 6,684                      | -                        | -                      | 6,684               |
| Other income  | <u>457,714</u>             | <u>-</u>                 | <u>-</u>               | <u>457,714</u>      |
| <b>Total</b>  | 5,197,800                  | 132,700                  | -                      | 5,330,500           |
| <b>EXPENDITURE ON</b>                               |                            |                          |                        |                     |
| Raising funds                                       | 341,077                    | -                        | -                      | 341,077             |
| <b>Charitable activities</b>                        |                            |                          |                        |                     |
| Provision of education                              | 4,880,998                  | 131,068                  | -                      | 5,012,066           |
| <b>Total</b>  | <u>5,222,075</u>           | <u>131,068</u>           | <u>-</u>               | <u>5,353,143</u>    |
| Net gains/(losses) on investments                   | <u>(2)</u>                 | <u>-</u>                 | <u>-</u>               | <u>(2)</u>          |
| <b>NET INCOME/(EXPENDITURE)</b>                     | (24,277)                   | 1,632                    | -                      | (22,645)            |
| <b>Other recognised gains/(losses)</b>              |                            |                          |                        |                     |
| Actuarial gains/(losses) on defined benefit schemes | <u>(3,855)</u>             | <u>-</u>                 | <u>-</u>               | <u>(3,855)</u>      |
| <b>Net movement in funds</b>                        | (28,132)                   | 1,632                    | -                      | (26,500)            |
| <b>RECONCILIATION OF FUNDS</b>                      |                            |                          |                        |                     |
| <b>Total funds brought forward</b>                  | <u>2,979,687</u>           | <u>74,265</u>            | <u>102</u>             | <u>3,054,054</u>    |
| <b>TOTAL FUNDS CARRIED FORWARD</b>                  | <u>2,951,555</u>           | <u>75,897</u>            | <u>102</u>             | <u>3,027,554</u>    |

15. INTANGIBLE FIXED ASSETS

|                       | Marketing<br>film<br>£ | Website<br>development<br>costs<br>£ | Totals<br>£   |
|-----------------------|------------------------|--------------------------------------|---------------|
| <b>COST</b>           |                        |                                      |               |
| At 1 September 2020   | 19,656                 | 24,635                               | 44,291        |
| Additions             | <u>27,028</u>          | <u>-</u>                             | <u>27,028</u> |
| At 31 August 2021     | <u>46,684</u>          | <u>24,635</u>                        | <u>71,319</u> |
| <b>AMORTISATION</b>   |                        |                                      |               |
| At 1 September 2020   | 19,656                 | 4,106                                | 23,762        |
| Charge for year       | <u>3,604</u>           | <u>4,927</u>                         | <u>8,531</u>  |
| At 31 August 2021     | <u>23,260</u>          | <u>9,033</u>                         | <u>32,293</u> |
| <b>NET BOOK VALUE</b> |                        |                                      |               |
| At 31 August 2021     | <u>23,424</u>          | <u>15,602</u>                        | <u>39,026</u> |
| At 31 August 2020     | <u>-</u>               | <u>20,529</u>                        | <u>20,529</u> |

16. TANGIBLE FIXED ASSETS

|                       | Freehold<br>property<br>£ | Short<br>leasehold<br>£ | Fixtures<br>and<br>fittings<br>£ | Totals<br>£       |
|-----------------------|---------------------------|-------------------------|----------------------------------|-------------------|
| <b>COST</b>           |                           |                         |                                  |                   |
| At 1 September 2020   | 6,642,301                 | 88,461                  | 3,713,559                        | 10,444,321        |
| Additions             | <u>-</u>                  | <u>-</u>                | <u>146,377</u>                   | <u>146,377</u>    |
| At 31 August 2021     | <u>6,642,301</u>          | <u>88,461</u>           | <u>3,859,936</u>                 | <u>10,590,698</u> |
| <b>DEPRECIATION</b>   |                           |                         |                                  |                   |
| At 1 September 2020   | 77,076                    | 6,487                   | 2,812,583                        | 2,896,146         |
| Charge for year       | 92,276                    | 6,226                   | 213,534                          | 312,036           |
| Impairments           | <u>94,400</u>             | <u>-</u>                | <u>-</u>                         | <u>94,400</u>     |
| At 31 August 2021     | <u>263,752</u>            | <u>12,713</u>           | <u>3,026,117</u>                 | <u>3,302,582</u>  |
| <b>NET BOOK VALUE</b> |                           |                         |                                  |                   |
| At 31 August 2021     | <u>6,378,549</u>          | <u>75,748</u>           | <u>833,819</u>                   | <u>7,288,116</u>  |
| At 31 August 2020     | <u>6,565,225</u>          | <u>81,974</u>           | <u>900,976</u>                   | <u>7,548,175</u>  |

Freehold properties totalling £5,748,149 (2020: £5,825,225) have been pledged as security for liabilities.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 August 2021

17. STOCKS

|        | 2021         | 2020          |
|--------|--------------|---------------|
|        | £            | £             |
| Stocks | <u>7,174</u> | <u>11,608</u> |

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                | 2021             | 2020             |
|--------------------------------|------------------|------------------|
|                                | £                | £                |
| Trade debtors                  | 4,114,466        | 3,991,531        |
| Other debtors                  | 57,446           | 88,106           |
| Prepayments and accrued income | <u>146,862</u>   | <u>123,063</u>   |
|                                | <u>4,318,774</u> | <u>4,202,700</u> |

Trade debtors include £43,377 (2020: £86,014) falling due after more than one year.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|   | 2021             | 2020             |
|---|------------------|------------------|
|   | £                | £                |
| Bank loans and overdrafts (see note 21) | 66,739           | 63,119           |
| Hire purchase (see note 22)             | 120              | 120              |
| Trade creditors                         | 283,394          | 354,386          |
| Social security and other taxes         | 60,440           | 61,709           |
| Other creditors                         | 546,858          | 525,308          |
| Accrued expenses                        | 69,230           | 60,748           |
| Deferred income                         | <u>5,955,302</u> | <u>4,869,746</u> |
|   | <u>6,982,083</u> | <u>5,935,136</u> |

Deferred income comprises school fees paid in advance for the next school year. The balance included within creditors relates to amounts deferred during the reporting period of £5,955,302 (2020: £4,869,746), with amounts being released to the Statement of Financial Activities of £4,869,746 (2020: £4,679,904).

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                             | 2021             | 2020             |
|-----------------------------|------------------|------------------|
|                             | £                | £                |
| Bank loans (see note 21)    | 2,667,271        | 2,727,151        |
| Hire purchase (see note 22) | <u>1,800</u>     | <u>1,920</u>     |
|                             | <u>2,669,071</u> | <u>2,729,071</u> |

Bank borrowings at the year end total £2,734,010. The original bank loan is repayable in 300 consecutive monthly instalments representing principal and interest, which commenced May 2016. The rate of interest payable on the loan is Base Rate plus 4.2% per annum. The loan matures in 2041. Further loan advances were obtained for the re-development of Weaponness House, which are repayable in 288 consecutive monthly instalments representing principal and interest and repayments commenced in April 2019. The rate of the interest payable on this loan is fixed at 4.52% per annum and it matures in 2043.

**21. LOANS**

An analysis of the maturity of loans is given below:

|   | 2021<br>£        | 2020<br>£        |
|---|------------------|------------------|
| Amounts falling due within one year on demand:  |                  |                  |
| Bank loans                                      | <u>66,739</u>    | <u>63,119</u>    |
| Amounts falling between one and two years:      |                  |                  |
| Bank loans - 1-2 years                          | <u>80,404</u>    | <u>76,455</u>    |
| Amounts falling due between two and five years: |                  |                  |
| Bank loans - 2-5 years                          | <u>244,259</u>   | <u>256,129</u>   |
| Amounts falling due in more than five years:    |                  |                  |
| Repayable by instalments:                       |                  |                  |
| Bank loans more than 5 years by instalments     | 2,342,608        | 2,394,567        |
| Hire purchase contracts                         | <u>1,320</u>     | <u>1,440</u>     |
|   | <u>2,343,928</u> | <u>2,396,007</u> |

**22. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

|                            | Hire purchase contracts          |                |
|----------------------------|----------------------------------|----------------|
|                            | 2021<br>£                        | 2020<br>£      |
| Net obligations repayable: |                                  |                |
| Within one year            | 120                              | 120            |
| Between one and five years | 480                              | 480            |
| In more than five years    | <u>1,320</u>                     | <u>1,440</u>   |
|                            | <u>1,920</u>                     | <u>2,040</u>   |
|                            | Non-cancellable operating leases |                |
|                            | 2021<br>£                        | 2020<br>£      |
| Within one year            | 141,067                          | 105,538        |
| Between one and five years | 325,576                          | 306,074        |
| In more than five years    | <u>435,036</u>                   | <u>495,436</u> |
|                            | <u>901,679</u>                   | <u>907,048</u> |

**23. SECURED DEBTS**

The following secured debts are included within creditors:

|                         | 2021<br>£               | 2020<br>£               |
|-------------------------|-------------------------|-------------------------|
| Bank loans              | 2,734,010               | 2,790,270               |
| Hire purchase contracts | <u>1,920</u>            | <u>2,040</u>            |
|                         | <u><u>2,735,930</u></u> | <u><u>2,792,310</u></u> |

The bank loans are secured by a legal charge on certain freehold properties held by the company and an unlimited debenture incorporating a fixed and floating charge. Finance leases are secured upon the assets to which they relate.

**24. PROVISIONS FOR LIABILITIES**

|                                  | 2021<br>£      | 2020<br>£                         |
|----------------------------------|----------------|-----------------------------------|
| Provisions                       | <u>450,000</u> | <u>-</u>                          |
|                                  |                | Provision against<br>legal claims |
|                                  |                | £                                 |
| Provision as at 1 September 2020 |                | -                                 |
| Additions in period              |                | <u>450,000</u>                    |
| Provision as at 31 August 2021   |                | <u><u>450,000</u></u>             |

A provision has been made against an ongoing litigation case surrounding the historic use of a since demolished building based on the current best estimate of the transfer of economic resources required to settle the claim including legal costs. As the case is still ongoing, the entity is taking advantage of the available exemptions under Section 10.83 of Charities SORP (FRS 102) on the grounds that it could be prejudicial to the outcome of this case to disclose further information.

**25. MOVEMENT IN FUNDS**

|                                | At 1.9.20<br>£          | Net<br>movement<br>in funds<br>£ | Transfers<br>between<br>funds<br>£ | At<br>31.8.21<br>£      |
|--------------------------------|-------------------------|----------------------------------|------------------------------------|-------------------------|
| <b>Called up share capital</b> |                         |                                  |                                    |                         |
| Called up share capital        | 5,507                   | -                                | -                                  | 5,507                   |
| <b>Unrestricted funds</b>      |                         |                                  |                                    |                         |
| General fund                   | 2,930,808               | (658,245)                        | 6,000                              | 2,278,563               |
| Revaluation reserve            | <u>15,240</u>           | <u>-</u>                         | <u>-</u>                           | <u>15,240</u>           |
|                                | 2,951,555               | (658,245)                        | 6,000                              | 2,299,310               |
| <b>Restricted funds</b>        |                         |                                  |                                    |                         |
| Peggy Bailey legacy            | 73,470                  | -                                | -                                  | 73,470                  |
| Early Years                    | 1,327                   | (23)                             | -                                  | 1,304                   |
| Cricket pavilion fund          | 1,100                   | -                                | -                                  | 1,100                   |
| Projector fund                 | <u>-</u>                | <u>6,000</u>                     | <u>(6,000)</u>                     | <u>-</u>                |
|                                | 75,897                  | 5,977                            | (6,000)                            | 75,874                  |
| <b>Endowment funds</b>         |                         |                                  |                                    |                         |
| Endowment funds                | <u>102</u>              | <u>-</u>                         | <u>-</u>                           | <u>102</u>              |
| <b>TOTAL FUNDS</b>             | <u><u>3,027,554</u></u> | <u><u>(652,268)</u></u>          | <u><u>-</u></u>                    | <u><u>2,375,286</u></u> |

25. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                          |                           |
| General fund              | 5,535,640                  | (6,196,875)                | 2,990                    | (658,245)                 |
| <b>Restricted funds</b>   |                            |                            |                          |                           |
| Early Years               | 147,118                    | (147,141)                  | -                        | (23)                      |
| Projector fund            | <u>6,000</u>               | <u>-</u>                   | <u>-</u>                 | <u>6,000</u>              |
|                           | <u>153,118</u>             | <u>(147,141)</u>           | <u>-</u>                 | <u>5,977</u>              |
| <b>TOTAL FUNDS</b>        | <u><u>5,688,758</u></u>    | <u><u>(6,344,016)</u></u>  | <u><u>2,990</u></u>      | <u><u>(652,268)</u></u>   |

Comparatives for movement in funds

|                                | At 1.9.19<br>£          | Net<br>movement<br>in funds<br>£ | At<br>31.8.20<br>£      |
|--------------------------------|-------------------------|----------------------------------|-------------------------|
| <b>Called up share capital</b> |                         |                                  |                         |
| Called up share capital        | 5,507                   | -                                | 5,507                   |
| <b>Unrestricted funds</b>      |                         |                                  |                         |
| General fund                   | 2,958,940               | (28,132)                         | 2,930,808               |
| Revaluation reserve            | <u>15,240</u>           | <u>-</u>                         | <u>15,240</u>           |
|                                | 2,979,687               | (28,132)                         | 2,951,555               |
| <b>Restricted funds</b>        |                         |                                  |                         |
| Peggy Bailey legacy            | 73,470                  | -                                | 73,470                  |
| Early Years                    | 795                     | 532                              | 1,327                   |
| Cricket pavilion fund          | <u>-</u>                | <u>1,100</u>                     | <u>1,100</u>            |
|                                | 74,265                  | 1,632                            | 75,897                  |
| <b>Endowment funds</b>         |                         |                                  |                         |
| Endowment funds                | <u>102</u>              | <u>-</u>                         | <u>102</u>              |
| <b>TOTAL FUNDS</b>             | <u><u>3,054,054</u></u> | <u><u>(26,500)</u></u>           | <u><u>3,027,554</u></u> |

Comparative net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                          |                           |
| General fund              | 5,197,800                  | (5,222,075)                | (3,857)                  | (28,132)                  |
| <b>Restricted funds</b>   |                            |                            |                          |                           |
| Early Years               | 131,600                    | (131,068)                  | -                        | 532                       |
| Cricket pavilion fund     | <u>1,100</u>               | <u>-</u>                   | <u>-</u>                 | <u>1,100</u>              |
|                           | <u>132,700</u>             | <u>(131,068)</u>           | <u>-</u>                 | <u>1,632</u>              |
| <b>TOTAL FUNDS</b>        | <u><u>5,330,500</u></u>    | <u><u>(5,353,143)</u></u>  | <u><u>(3,857)</u></u>    | <u><u>(26,500)</u></u>    |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 August 2021

25. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

|                                | At 1.9.19<br>£   | Net<br>movement<br>in funds<br>£ | Transfers<br>between<br>funds<br>£ | At<br>31.8.21<br>£ |
|--------------------------------|------------------|----------------------------------|------------------------------------|--------------------|
| <b>Called up share capital</b> |                  |                                  |                                    |                    |
| Called up share capital        | 5,507            | -                                | -                                  | 5,507              |
| <b>Unrestricted funds</b>      |                  |                                  |                                    |                    |
| General fund                   | 2,958,940        | (686,377)                        | 6,000                              | 2,278,563          |
| Revaluation reserve            | <u>15,240</u>    | <u>-</u>                         | <u>-</u>                           | <u>15,240</u>      |
|                                | 2,979,687        | (686,377)                        | 6,000                              | 2,299,310          |
| <b>Restricted funds</b>        |                  |                                  |                                    |                    |
| Peggy Bailey legacy            | 73,470           | -                                | -                                  | 73,470             |
| Early Years                    | 795              | 509                              | -                                  | 1,304              |
| Cricket pavilion fund          | -                | 1,100                            | -                                  | 1,100              |
| Projector fund                 | <u>-</u>         | <u>6,000</u>                     | <u>(6,000)</u>                     | <u>-</u>           |
|                                | 74,265           | 7,609                            | (6,000)                            | 75,874             |
| <b>Endowment funds</b>         |                  |                                  |                                    |                    |
| Endowment funds                | <u>102</u>       | <u>-</u>                         | <u>-</u>                           | <u>102</u>         |
| <b>TOTAL FUNDS</b>             | <u>3,054,054</u> | <u>(678,768)</u>                 | <u>-</u>                           | <u>2,375,286</u>   |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                          |                           |
| General fund              | 10,733,440                 | (11,418,950)               | (867)                    | (686,377)                 |
| <b>Restricted funds</b>   |                            |                            |                          |                           |
| Early Years               | 278,718                    | (278,209)                  | -                        | 509                       |
| Cricket pavilion fund     | 1,100                      | -                          | -                        | 1,100                     |
| Projector fund            | <u>6,000</u>               | <u>-</u>                   | <u>-</u>                 | <u>6,000</u>              |
|                           | <u>285,818</u>             | <u>(278,209)</u>           | <u>-</u>                 | <u>7,609</u>              |
| <b>TOTAL FUNDS</b>        | <u>11,019,258</u>          | <u>(11,697,159)</u>        | <u>(867)</u>             | <u>(678,768)</u>          |

The endowment fund is a prize giving fund, and represents monies held for the endowment of a prize.

The Peggy Bailey Legacy fund represents monies donated to the college restricted to the endowment of an award, prize or scholarship for students.

The Early Years fund represents government funding received for the education of pupils aged 3 to 5 years.

The cricket pavilion fund represents monies donated to the college towards the cost of rebuilding a new pavilion within the grounds of the college, following a fire which completely destroyed the previous building.

The projector fund represents monies donated to the college towards the cost of new equipment purchased in the period.

**26. EMPLOYEE BENEFIT OBLIGATIONS**

Scarborough College Limited, together with many other independent schools, operates a contributory plan providing defined benefits based on final pensionable pay for its employees. The assets of the plans are held separately from those of Scarborough College Limited. They also operate two defined contribution schemes.

Contributions to three schemes during the year were based on the following percentages of salary:-

|                                     | <u>Employer</u> | <u>Employee</u> | <u>Total</u> |
|-------------------------------------|-----------------|-----------------|--------------|
| Independent Schools' Pension Scheme | 8.0%            | 8.0%            | 16.0%        |
| Aviva Pension Scheme                | 16.4%           | 7.4% - 11.7%    | 23.8%- 28.1% |
| People's Pension                    | 3.0%            | 5.0%            | 8.0%         |

The defined benefit pension scheme is a multi-employer pension scheme. As a result of which it is neither possible nor appropriate to identify the assets and liabilities of the schemes which are attributable to the College. Accordingly the College has accounted for its contributions as if they were defined contribution schemes.

Outstanding amounts payable to the schemes at the year end were £45,274 (2020: £44,572).

**Independent Schools' Pension Scheme**

The College participates in the scheme, which is a multi-employer scheme, and provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the College 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 College 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 with an effective date of 30 September 2017. This actuarial valuation was certified on 27 December 2018 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows:

**Deficit contributions**

From 1 September 2019 to 30 April 2030: £2,387,357 per annum  
(payable monthly and increasing by 3% on each 1st September)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. 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 September 2016 to 31 August 2029: £2,341,000 per annum  
(payable monthly and increasing by 3% on each 1st September)

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

Where the scheme is in deficit and where the College has agreed to a deficit funding arrangement, the College 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.

**26. EMPLOYEE BENEFIT OBLIGATIONS - continued**

**Present value of provision**

|                            | 31 August 2021<br>(£'000s) | 31 August 2020<br>(£'000s) | 31 August 2019<br>(£'000s) |
|----------------------------|----------------------------|----------------------------|----------------------------|
| Present value of provision | 359                        | 396                        | 449                        |

**Reconciliation of opening and closing provisions**

|   | 2021<br>£<br>(£'000s) | 2020<br>£<br>(£'000s) |
|---|-----------------------|-----------------------|
| Provision as at 1 September 2020                      | 396                   | 424                   |
| Unwinding of the discount factor (interest expense)   | 4                     | 4                     |
| Deficit contribution paid                             | (38)                  | (36)                  |
| Remeasurement - impact of any change in assumptions   | (3)                   | 4                     |
| Remeasurement - amendments to the contribution scheme | -                     | -                     |
|   | <u>359</u>            | <u>396</u>            |

**Income and expenditure impact**

|   | 2021<br>£<br>(£'000s) | 2020<br>£<br>(£'000s) |
|---|-----------------------|-----------------------|
| Interest expense  | 3                     | 4                     |
| Remeasurement - impact of any change in assumptions     | (3)                   | 4                     |
| Remeasurement - amendments to the contribution schedule | -                     | -                     |
| Contributions paid in respect of future service         | -                     | -                     |
| Costs recognised in income and expenditure account      | 4                     | 4                     |

**Assumptions**

|                  | 31 August 2021<br>% per annum | 31 August 2020<br>% per annum | 31 August 2019<br>% per annum |
|------------------|-------------------------------|-------------------------------|-------------------------------|
| Rate of discount | 1.09                          | 0.90                          | 1.10                          |

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.

**27. RELATED PARTY DISCLOSURES**

During the year the company leased a property, on an arm's length basis from Broadland Properties Limited, for £60,000 (2020: £60,000). Mr R Guthrie (a director of Scarborough College Limited), is a director and person with significant control of Broadland Properties Limited,

Three governors had children enrolled in the College during the year with fees payable at normal published rates totalling £78,148 (2020: £74,117).

**28. POST BALANCE SHEET EVENTS**

Due to the need to make provision against the legal claim described in note 24, these accounts show the charity would have technically breached one of the loan covenants at the year end. However, the bank were fully aware of the situation and have duly issued a covenant waiver post year end based on current cash flow forecasts which comfortably cover both the scheduled bank loan repayments and the anticipated legal claim.

**29. CALLED UP SHARE CAPITAL**

|  | 2021         | 2020         |
|--|--------------|--------------|
|  | £            | £            |
| Allotted, called up and fully paid<br>5,507 Ordinary shares of £1 each | <u>5,507</u> | <u>5,507</u> |

Shares carry equal voting rights and each class of share also ranks equally in regard to distributions, including distributions arising from a winding up of the College.

**SCARBOROUGH COLLEGE**

England & Wales - Charity number 529686

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# Accounts

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**REGISTERED COMPANY NUMBER: 00050404 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 529686**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020  
FOR  
SCARBOROUGH COLLEGE LIMITED**

Moore  
Statutory Auditors  
Chartered Accountants  
12 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

**SCARBOROUGH COLLEGE LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
for the year ended 31 August 2020**

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|   | <b>Page</b> |
|---|-------------|
| <b>Report of the Trustees</b>             | 1 to 9      |
| <b>Report of the Independent Auditors</b> | 10 to 11    |
| <b>Statement of Financial Activities</b>  | 12          |
| <b>Balance Sheet</b>                      | 13 to 14    |
| <b>Cash Flow Statement</b>                | 15          |
| <b>Notes to the Cash Flow Statement</b>   | 16          |
| <b>Notes to the Financial Statements</b>  | 17 to 31    |

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2020**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The objects of the Company, in accordance with its Articles and Memorandum of Association, are to establish and conduct in Scarborough, and elsewhere, a Day and Boarding School or Schools for Boys and Girls (aged 3 to 18 years) in which there shall be given a sound education, combined with a moral and religious input.

**Aims and Intended Impact**

The Company's vision is to be a recognised leader in British independent education.

**Mission Statement**

The Company's commitment is to discover and fully realise every child's potential by ensuring that all pupils are seen as individuals whose specific needs are recognised and met. We are dedicated to providing a far-reaching education that goes beyond the boundaries of the classroom, underpinned by strong lifelong values, which inspires academic excellence and ensures pupils are challenged. Regular opportunities to understand their own capabilities through exposure to a broad range of sporting, cultural and creative activities, widens our pupils' horizons and builds their self-confidence. Within our outward-facing, grounded and caring community the relationships that exist nurture tolerant, honest and compassionate people who will make a genuine difference in their futures beyond the confines of our school.

**Aims of the Company**

Scarborough College seeks:

- To encourage and enable pupils to achieve their academic potential and to foster a climate in which high quality teaching and learning are the upmost priorities.
- To respond to, support, and bring about the aspirations of pupils and their parents, whilst being attentive to their views.
- To consistently provide a high degree of personal care, support and guidance within, and outside of, the formal pastoral structure.
- To promote the acquisition and development of life-long values and 'character'.
- To cultivate and develop in pupils a sense of spirituality, cultural awareness and a moral framework through which they can live a fulfilling and happy life.
- To provide an environment in which pupils feel valued and learn to work co-operatively within a safe and nurturing community.
- To provide regular opportunities for all pupils to engage with a varied co-curricular programme so that they may explore their talents and discover life-long passions.
- To be a caring, supportive and appreciative employer, recognising the work and commitment of all staff whilst facilitating a climate of continual professional development.
- To consistently look for improvements in everything we do, thereby ensuring that the experience all our stakeholders undergo becomes ever more positive and rewarding.

The main objectives remain unchanged and are to achieve excellent public examination results, to continue with the successful work related to the International Baccalaureate programme, to enhance the boarding provision, and to strengthen even further the College's links with the community.

The Scarborough College strategy is to continue to develop the school's facilities, both physical and intellectual, for providing an excellent education for its students. The enhancement of the school facilities will be driven through property development activity which is given in greater detail in the Future Plans section of this report.

**Significant activities**

The principal activity continues to be the provision in Scarborough of independent education for both boarding and day children between the ages of 3 to 18 years old. The Prep School takes boys and girls from 3 - 11 years of age and also operates a pre-school nursery (Little Owls). The Senior School provides for students aged 11 to 18 years. For this academic year the student population was 406, not including younger children attending the nursery.

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2020**

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**OBJECTIVES AND ACTIVITIES**

**Public benefit**

The College remains aware of its responsibility to achieve public benefit by working closely with the local community, whilst also developing links with other schools, charities and local organisations. The Company has complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission.

The Company continues to take an important role in many areas of support to the local community and, in particular, to sport. Following the council's recent permission to allow third-party users, it is the Company's intention to have the all-weather pitch used by both Scarborough Hockey Club and any local sports clubs for a nominal fee.

The summer is, normally, exceptionally busy with local cricket matches, a cricket festival arranged in partnership with Scarborough Cricket Club and the Scarborough Athletic Club using the field for athletics including the long jump and running, all of which use the College facilities and minibuses. The College hosts children from other schools of the area for cross country running competitions, hockey and football trials. This has obviously reduced due to the impact of COVID-19.

Bramcote Sports Hall, Deepdale playing fields and the Company's main playing fields and tennis courts are available and are used by clubs such as Scarborough Cricket Club, Scarborough Football Club and Yorkshire County Cricket Club

The Company also provides support in renting out other areas of the campus such as Lisvane Hall and school areas. Although some of these events incur charges for staffing costs and use of the premises, many local schools use the premises for free. Lisvane Hall, for example, is used by local primary schools for their nativity productions and other school productions. The Primary Proms events invites all local primary school children for a free day of music tuition and enjoyment in Lisvane Hall. Other local companies, which are held for nominal charges, are Welcome to Yorkshire, The English Chess Federation and the Yorkshire Cricket Board.

As mentioned above, due to the global pandemic, COVID-19, the above activities and events have had to be restricted in order to comply with Government guidance.

**Community Service**

Pupils of all age groups within Scarborough College share a sense of community service. Together with the Friends of Scarborough College parents' group, there are a number of fundraising activities throughout the entire school, including the Harvest Festival and the MacMillan Cancer Trust. Both initiatives directly benefit the local community with the Harvest Festival proceeds going the Rainbow Centre in Scarborough and part of the MacMillan Big Breakfast allocated to local children.

In the senior school, activities within the Duke of Edinburgh's and the Sixth Formers' CAS (Creativity, Activity and Service) support local, regional and international charities and causes. It is an essential part of both the D of E as well as the International Baccalaureate Diploma Programme. Charitable donations from fund raising activities amount to £2,122 in the year.

## OBJECTIVES AND ACTIVITIES

### Bursary and scholarship awards

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. Learning occurs through social interaction, conversation and shared experiences which help our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy together with our out-reach work contribute to a widening of access to the education we offer and the facilities we enjoy.

### Bursaries

The governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by Scarborough College. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example, in the case of redundancy. In assessing means the College takes a number of factors into consideration including family income, investments and savings, and family circumstances, for example, dependent relatives and the number of siblings.

Those wishing to be considered for bursary support are required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees is assessed according to the guardians' ability to pay full fees and the availability of bursary funds to the College. Bursary awards are subject to the annual testing of the guardians' means.

This year the value of means tested bursaries totalled £604,135 and represented 9.89% of our gross fees. They provided assistance to 118 pupils, representing 29.1% of the school roll.

### Non means-tested fee remissions

The purpose of our scholarship awards is to recognise high academic, musical, and sporting potential or ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the aforementioned abilities which will contribute to our co-curricular activities; awards may be subject to conditions. Scholarships are awarded with a fixed remission of fees of between 10% and 100%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. The value of Scholarships in the school year totalled £423,142 awarded to 74 pupils.

Other forms of non means-tested assistance were also awarded during the academic year, including sibling and staff discounts. In total these awards were made to 122 pupils and amounted to £376,733.

The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with abilities. No scholarships were withdrawn in the year as a result of reviews.

### HMC Scholars

In the early 1990s, as communism collapsed in eastern Europe, the Headmasters' and Headmistresses' Conference (HMC) supported a sixth form scholarship scheme to provide educational opportunities for young people in countries that had been behind the Iron Curtain. HMC Projects, as it was called, aimed to identify talented 16 and 17 year olds and give them the opportunity to study and live at a British boarding school. The aim of the scholarship programme is to foster bonds of understanding and friendship between young people across Europe and to give young people from the former communist countries in Central and Eastern Europe an enriching and rewarding experience in some of the best schools in the world. In 2019 Scarborough College first offered a place to a scholar. By 2020 the College had 3 scholars in Year 13 and 3 in Year 12. The value of such Scholarships in the school year totalled £109,860.

### Royal SpringBoard

Royal SpringBoard is the UK's largest bursary charity, helping disadvantaged and vulnerable children from across the UK to access fully funded bursaries at leading schools. It is a social mobility charity focusing on harnessing the power of educational opportunities at some of the UK's leading schools to benefit young people who need them the most. In 2019 Scarborough College supported 3 pupils from across the UK by giving them access to a life-changing education. The value of such Scholarships in the school year totalled £50,461.

### Our ethos; a caring College serving our local community and society

The governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education the College provides.

### **OBJECTIVES AND ACTIVITIES**

Scarborough College is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the College, and at a level that is consistent with our aim of providing a first class education to boys and girls from all backgrounds of the local community and beyond. To admit a prospective pupil we need to be satisfied that the College will be able to educate and develop him/her to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments and interviews are undertaken to satisfy the College and parents that potential pupils can cope with the pace of learning and benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the assessment process.

The College is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. The College makes reasonable adjustments to meet the needs of staff or pupils who are or become disabled. The College is committed to safeguarding and promoting the welfare of the pupils and expects all staff and volunteers to share this commitment.

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The College maintains regular contact with parents throughout the year through informal contacts and the fortnightly newsletter (The Owl). All pupils have a Form Tutor responsible for pastoral care and academic development.

### **Volunteers**

The Friends of Scarborough College, and the Old Scardeburgians Association (OSA) both continue to support the College in many ways. Both groups fund raise to support projects in the College including enhancement of the facilities. The OSA also holds regular functions to bring present and past pupils together both through sport and socially. Furthermore, the OSA sponsor scholarships as part of the scholarship and bursary scheme operated by the College. The Board continues to be extremely grateful for all their efforts, and the enthusiastic support of both groups creates a strong bond between the College and parents, helping to strengthen community spirit.

### **STRATEGIC REPORT**

#### **Achievement and performance**

The public examination results this year continue to be excellent. Students were successful at gaining places at the top universities. At GCSE, 89% of students passed 5 or more GCSEs at grades A\* to C.

In accordance with its mission, the College continues to provide excellent quality in music, art and performing arts lessons, as well as sports coaching. The College's representative teams in the main sports achieve successes sometimes beyond what could be expected with regard to current funds and facilities compared to those of the opponents

Both the depth of activities as well as the qualities of the activities is highlighted by the College's Enrichment Programme, and Yorkshire Grit.

#### Cricket Centre of Excellence

The Cricket Centre of Excellence is a partnership between Scarborough College and Pro Coach Yorkshire Cricket Academy. Pupils benefit from first-class facilities, such as training at Headingley, as well as first class coaching. The College has 2 former international cricketers as coaches and a number of coaches with either First Class Cricket or Minor County experience.

The tailor-made programme ensures that the needs of the players are met and addresses all aspects of what makes a successful cricketer. As well as aiming to get players to get involved in matches of a suitably high calibre, the programme also focuses on facets such as strength and conditioning and nutritional advice

#### Golf Centre of Excellence

With the College grounds adjacent to the grounds of South Cliff Golf Club, the school has formed a partnership to help develop players from beginners to those aiming for a professional career. Mr Ivan Oliver, the Head Pro, has been working with Scarborough College as part of our Yorkshire Grit programme as well as school fixtures. In 2020 this success saw the launch of the Golf Centre of Excellence.

The Golf Centre of Excellence provides athlete specific and individual development in small groups and one-to-one sessions. The training regime takes into account fitness, strength and conditioning, nutrition and playing ability and progress. Players have an opportunity to play in club-based competitions as well as the opportunity to represent Scarborough College against other schools.

**REPORT OF THE TRUSTEES**  
for the year ended 31 August 2020

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**STRATEGIC REPORT**

**Financial review**

The full financial statements and the Auditors' Report can be found in the accompanying Annual Accounts for the year.

The College produced a deficit in 2019-2020 of £26,500. This does include an expense of £3,855 relating to the fair value adjustment on the defined benefit scheme. It is planned that the College will next year be once again in surplus and hoped that this position can be maintained for future years.

The principal source of income is fees accounting for 88% of the College's total income. The governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of the College.

As a charity the parents of the pupils have the assurance that all income of the College must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains, provided these are applied for our charitable aims. As a charity we are also entitled to an 80% reduction in our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for the educational purposes and indirectly help us to maintain our bursary policy and out-reach programme.

However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits the College brings to our pupils, the local community and society through the education we offer, our bursary programme and our out-reach work create a social asset without a cost to the Government.

**Developments and Maintenance**

Due to COVID-19 many major projects had to be put on hold this year. However, the College is committed to the continuation and final re-roofing works and continuing the window replacement.

**Key Performance Indicators**

|  | 2020  | 2019  | 2018  | 2017  | 2016  |
|--|-------|-------|-------|-------|-------|
| IB exam pass rate  | 81%   | 80%   | 88%   | 88%   | 88%   |
| GCSE exam pass rate (9-4)  | 89%   | 90%   | 89%   | 88%   | 95%   |
| Net fee income (£000)  | 4,709 | 4,888 | 4,989 | 4,416 | 3,755 |
| Non fee income (£000)  | 621   | 191   | 888   | 264   | 151   |
| Net incoming (outgoing) resources before fair value adjustments (£000) | (23)  | (235) | 736   | 228   | (174) |
| Capital expenditure (£000)   | 416   | 3,106 | 507   | 333   | 11    |

**Reserves Policy**

The governors regularly review the finances, budgets and spend against budget together with a cash flow analysis as part of the effective stewardship of the College.

In common with other independent schools, the governors have invested substantial sums into the College buildings and have a continuing programme of refurbishment and development to maintain the excellent teaching facilities for our pupils.

The Company's unrestricted funds stood at £2,951,555 at the year end, and these were wholly deployed in funding the College's Capital Expenditure on the premises and equipment. The company's restricted funds stood at £75,999 at the year end.

The policy of the trustees and the directors of Scarborough College is to aim to retain reserves of £1.3 million or more. This is equivalent to approximately three months' expenditure, by means of annual operating surpluses, subject to the prior demands of further capital and revenue expenditure needed to maintain the high standard of the educational facilities provided at the College.

**Market Value of Land and Buildings**

In the opinion of the trustees of Scarborough College the current market value of the company's land and buildings was not less than the amount £6,565,225 shown in the balance sheet.

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2020**

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**STRATEGIC REPORT**

**Future plans**

The governors intend to continue their current strategies of maintaining the College's position in a competitive market by investing to provide high quality education for our pupils. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided.

The Headmaster and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for our pupils' development.

The governors need to maintain an equitable balance ensuring our current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils in the same way as our current pupils benefit today from past investment.

The governors view our bursary and scholarship awards as important in widening our access to the education our College provides.

Maintaining and, where necessary, developing the fabric and facilities of the College are central to our strategy. Our plans are primarily focused on the completion of the main college re-roofing works, replacement of windows and the development of boarding houses.

We have a programme of planned maintenance and investment with the upgrading of our art block, theatre and science laboratories a priority.

During and after the financial year end there has been a global pandemic, COVID 19, which has affected all businesses. It has in turn affected Scarborough College which went into lock down prior to the 2020 Easter holidays and at the start of the January 2021 term. The College successfully implemented an online educational programme for all pupils and continues to do so.

Although COVID 19 was still active the College is reopening fully in September 2020 in line with Government guidance and pupil numbers still remain extremely buoyant throughout and predictions for September 2021 looking healthy.

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The College has arranged qualifying third party indemnity for all of its directors.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The company is governed by its Memorandum and Articles of Association first issued on 4 December 1896, and filed at Companies House most recently on 29 September 2018.

**Governing Body**

The directors, who are also the charity trustees, are responsible for the overall management and control of the College and meet four times a year at various sub committees, and also four times a year as the full board. The work of implementing their policies is carried out through several governors sub committees. The sub committees include a Finance and Management Committee, Education and Welfare Committee, and a Marketing Committee. The Board is a self-appointing body, and directors are elected at a full directors' meeting of the Company. The College Business Manager is responsible for co-ordination the work of the governors and their Committees, preparation of papers and management accounts, and the review of matters arising.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Recruitment and appointment of new trustees**

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new governors the important attribute is a passion for the work of the College and an understanding of education as a holistic and rounded experience of personal growth. Where possible the governors consider that the skills and experience of the Board should comprise of the following:

- A governor with a legal background.
- A governor with a financial/accounting background.
- A governor with education experience and background.
- A governor with senior managerial or business experience.
- A governor with HR/employment law experience.
- A governor with property/surveying experience.

On appointment, new governors are inducted into the workings of the Board and their responsibilities as directors, charity trustees and school governors. The Charity has no formal governor training procedures in place. However governors are encouraged to attend training courses and seminars run by AGBIS (The Association of Governing Bodies of Independent Schools). Additionally, governors are encouraged to take a full part in the activities of the College including attendance at concerts and sports events, plus time in the classroom observing lessons.

### **Other relationships**

The Headmaster is a member of the Society of Heads, attending the society conference which is an opportunity to share expertise, knowledge and experience across the independent school sector. The conference also permits appropriate representation to Government and regulators of the views of the sector. The College is also a member of IAPS and BSA, whilst also holding IB World School status.

### **Organisational management**

The governors and trustees meet as a Board at least four times a year (October, December, March and June) to determine the general policy of the Company and review the overall management and control, for which they are legally responsible. The work of implementing most of their policies is carried out by the Finance and Management Committee, chaired by Mr A S Green, and which meets regularly prior to each meeting of the full Governing Board, and on other occasions when necessary to regulate the administration of the College. The other principal committee is the Education and Welfare Committee, which as its title indicates, focuses on matters relating to education/curriculum and welfare.

The governors determine the general policy of the College but the day to day running of the College is delegated to the Headmaster, supported by the Senior Management Team. The Headmaster undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of both the Prep and Senior schools is undertaken within the policies and procedures approved by the governors which provide for only significant expenditure decisions and major capital projects to be referred to the governors for prior approval. The approval process is detailed within the Financial Regulations of the College.

The Headmaster oversees the recruitment of all educational staff, whilst, under delegated authority, the Business Manager oversees the recruitment of administrative and non-teaching support staff. The Headmaster, Head of the Prep School and Business Manager attend governors' meetings.

### **Key management personnel**

The governors consider that they, together with the Headmaster, The Business Manager and the Prep School Headmaster comprise the key management personnel (see note 12 to the accounts). The governors give of their time freely and the pay and the remuneration of the Headmaster and senior staff is set by the Board and is kept under annual review.

The College operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools. This allows the College to remain an attractive employer in the independent school sector.

The bands are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the College and also increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

### **Group Structure**

Scarborough College Limited had a wholly owned non-charitable subsidiary company, Scarborough College 2000 Limited, a company incorporated in United Kingdom and registered in England and Wales. This company was dissolved on 6 October 2020.

## SCARBOROUGH COLLEGE LIMITED

### REPORT OF THE TRUSTEES for the year ended 31 August 2020

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Related parties

None of the governors receives remuneration or other benefits from their work with the College. Any contractual relationships must be disclosed and notes of interest are retained in written form.

Three of the governors had children enrolled in the school during the year with the fees payable at normal published rates. This does not affect their capability to make independent and fair decisions but, if there is a specific situation where there may be conflicted interests, governors will remove themselves from meetings.

One of the governors, Mr R Guthrie, is a director and person with significant control of Broadland Properties Limited. During the year a sum of £60,000 (2019: £52,146) was paid to Broadland Properties for property rental on an arm's length basis.

##### Risk management

The governors and the Board of Scarborough College, with particular assistance from the College Finance and Management Committee, have examined the principal areas of the College's operations and have considered the major areas of strategic, operational and business risk which the College faces. The Directors actively review the major risks that may arise on a regular basis, as well as the systems and procedures established to manage them, ensuring that those risks already identified can be mitigated. All of the identified risks are contained within the College Risk Management Summary.

#### REFERENCE AND ADMINISTRATIVE DETAILS

Scarborough College Limited is a charitable company, incorporated in 1896 as a private limited company, which founded the school in 1898 and was subsequently placed on the Register of Charities in 1962.

##### Registered Company number

00050404 (England and Wales)

##### Registered Charity number

529686

##### Registered office

Filey Road  
Scarborough  
North Yorkshire  
YO11 3BA

##### Trustees

Mrs R S Clements (appointed 16.12.19)  
J A Cliffe  
S N Fairbank  
Mrs V J Gillingham  
A S Green  
R Guthrie  
J R Marshall  
Dr J Renshaw  
Dr I G H Renwick  
J S Rowlands  
J F W Swiers  
G N M Young  
J J Cook (resigned 20.9.20)  
N Gardner (resigned 27.5.20)  
J M Green (resigned 28.9.19)

##### Company Secretary

Miss A J Higgins

##### Auditors

Moore  
Statutory Auditors  
Chartered Accountants  
12 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2020**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Bankers**

Lloyds  
1 St Nicholas Street  
Scarborough  
North Yorkshire  
YO11 2YY

**Solicitors**

Lupton Fawcett Denison Till  
Yorkshire House  
East Parade  
Leeds  
LS1 5BD

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Scarborough College Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 trustees are aware:

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 27 April 2021 and signed on the board's behalf by:

.....  
Dr J Renshaw - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED

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### **Opinion**

We have audited the financial statements of Scarborough College Limited (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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 requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SCARBOROUGH COLLEGE LIMITED

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### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the 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 but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **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 auditors' 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.

Sarah-Jane Sargent (Senior Statutory Auditor)  
for and on behalf of Moore  
Statutory Auditors  
Chartered Accountants  
12 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

27 April 2021

SCARBOROUGH COLLEGE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
for the year ended 31 August 2020

|   | Notes | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Endowment<br>fund<br>£ | 2020<br>Total<br>funds<br>£ | 2019<br>Total<br>funds<br>£ |
|---|-------|----------------------------|--------------------------|------------------------|-----------------------------|-----------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>                   |       |                            |                          |                        |                             |                             |
| Donations and legacies                              | 3     | 7,814                      | 1,100                    | -                      | 8,914                       | 1,050                       |
| <b>Charitable activities</b>                        | 6     |                            |                          |                        |                             |                             |
| Provision of education                              |       | 4,577,538                  | 131,600                  | -                      | 4,709,138                   | 4,888,434                   |
| Other trading activities                            | 4     | 148,050                    | -                        | -                      | 148,050                     | 181,984                     |
| Investment income                                   | 5     | 6,684                      | -                        | -                      | 6,684                       | 7,892                       |
| Other income  |       | <u>457,714</u>             | <u>-</u>                 | <u>-</u>               | <u>457,714</u>              | <u>-</u>                    |
| <b>Total</b>  |       | 5,197,800                  | 132,700                  | -                      | 5,330,500                   | 5,079,360                   |
| <b>EXPENDITURE ON</b>                               |       |                            |                          |                        |                             |                             |
| Raising Funds                                       | 7     | 172,288                    | -                        | -                      | 172,288                     | 71,794                      |
| <b>Charitable activities</b>                        | 8     |                            |                          |                        |                             |                             |
|   |       | <u>5,049,787</u>           | <u>131,068</u>           | <u>-</u>               | <u>5,180,855</u>            | <u>5,242,233</u>            |
| <b>Total</b>  |       | 5,222,075                  | 131,068                  | -                      | 5,353,143                   | 5,314,027                   |
| Net gains/(losses) on investments                   |       | <u>(2)</u>                 | <u>-</u>                 | <u>-</u>               | <u>(2)</u>                  | <u>-</u>                    |
| <b>NET INCOME/(EXPENDITURE)</b>                     |       | (24,277)                   | 1,632                    | -                      | (22,645)                    | (234,667)                   |
| <b>Other recognised gains/(losses)</b>              |       |                            |                          |                        |                             |                             |
| Actuarial gains/(losses) on defined benefit schemes |       | <u>(3,855)</u>             | <u>-</u>                 | <u>-</u>               | <u>(3,855)</u>              | <u>(6,000)</u>              |
| <b>Net movement in funds</b>                        |       | (28,132)                   | 1,632                    | -                      | (26,500)                    | (240,667)                   |
| <b>RECONCILIATION OF FUNDS</b>                      |       |                            |                          |                        |                             |                             |
| <b>Total funds brought forward</b>                  |       | <u>2,979,687</u>           | <u>74,265</u>            | <u>102</u>             | <u>3,054,054</u>            | <u>3,294,721</u>            |
| <b>TOTAL FUNDS CARRIED FORWARD</b>                  |       | <u><u>2,951,555</u></u>    | <u><u>75,897</u></u>     | <u><u>102</u></u>      | <u><u>3,027,554</u></u>     | <u><u>3,054,054</u></u>     |

The notes form part of these financial statements

SCARBOROUGH COLLEGE LIMITED

BALANCE SHEET

31 August 2020

|  | Notes | Unrestricted funds<br>£ | Restricted funds<br>£ | Endowment fund<br>£ | 2020<br>Total funds<br>£ | 2019<br>Total funds<br>£ |
|--|-------|-------------------------|-----------------------|---------------------|--------------------------|--------------------------|
| <b>FIXED ASSETS</b>                          |       |                         |                       |                     |                          |                          |
| Intangible assets                            | 14    | 20,529                  | -                     | -                   | 20,529                   | 983                      |
| Tangible assets                              | 15    | 7,548,175               | -                     | -                   | 7,548,175                | 7,438,940                |
| Investments                                  | 16    | -                       | -                     | -                   | -                        | 2                        |
|  |       | <u>7,568,704</u>        | <u>-</u>              | <u>-</u>            | <u>7,568,704</u>         | <u>7,439,925</u>         |
| <b>CURRENT ASSETS</b>                        |       |                         |                       |                     |                          |                          |
| Stocks                                       | 17    | 11,608                  | -                     | -                   | 11,608                   | -                        |
| Debtors                                      | 18    | 4,202,700               | -                     | -                   | 4,202,700                | 3,655,230                |
| Cash at bank                                 |       | 228,469                 | 75,897                | 102                 | 304,468                  | 855,277                  |
|  |       | <u>4,442,777</u>        | <u>75,897</u>         | <u>102</u>          | <u>4,518,776</u>         | <u>4,510,507</u>         |
| <b>CREDITORS</b>                             |       |                         |                       |                     |                          |                          |
| Amounts falling due within one year          | 19    | (5,935,136)             | -                     | -                   | (5,935,136)              | (6,234,860)              |
|  |       | <u>(1,492,359)</u>      | <u>75,897</u>         | <u>102</u>          | <u>(1,416,360)</u>       | <u>(1,724,353)</u>       |
| <b>NET CURRENT ASSETS</b>                    |       |                         |                       |                     |                          |                          |
|  |       | <u>(1,492,359)</u>      | <u>75,897</u>         | <u>102</u>          | <u>(1,416,360)</u>       | <u>(1,724,353)</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                         |                       |                     |                          |                          |
|  |       | 6,076,345               | 75,897                | 102                 | 6,152,344                | 5,715,572                |
| <b>CREDITORS</b>                             |       |                         |                       |                     |                          |                          |
| Amounts falling due after more than one year | 20    | (2,729,071)             | -                     | -                   | (2,729,071)              | (2,237,622)              |
| <b>PROVISIONS FOR LIABILITIES</b>            |       |                         |                       |                     |                          |                          |
|  | 24    | (395,719)               | -                     | -                   | (395,719)                | (423,896)                |
|  |       | <u>(395,719)</u>        | <u>-</u>              | <u>-</u>            | <u>(395,719)</u>         | <u>(423,896)</u>         |
| <b>NET ASSETS</b>                            |       |                         |                       |                     |                          |                          |
|  |       | <u>2,951,555</u>        | <u>75,897</u>         | <u>102</u>          | <u>3,027,554</u>         | <u>3,054,054</u>         |

The notes form part of these financial statements

**SCARBOROUGH COLLEGE LIMITED**

**BALANCE SHEET - continued**  
**31 August 2020**

| <b>FUNDS</b>                    | 25 | 2020<br>£               | 2019<br>£               |
|---------------------------------|----|-------------------------|-------------------------|
| <b>Called up share capital:</b> |    |                         |                         |
| Called up share capital         |    | 5,507                   | 5,507                   |
| <b>Unrestricted funds:</b>      |    |                         |                         |
| General fund                    |    | 2,930,808               | 2,958,940               |
| Revaluation reserve             |    | <u>15,240</u>           | <u>15,240</u>           |
|                                 |    | 2,951,555               | 2,979,687               |
| <b>Restricted funds:</b>        |    |                         |                         |
| Peggy Bailey legacy             |    | 73,470                  | 73,470                  |
| Early Years                     |    | 1,327                   | 795                     |
| Cricket pavilion fund           |    | <u>1,100</u>            | <u>-</u>                |
|                                 |    | 75,897                  | 74,265                  |
| <b>Endowment funds:</b>         |    |                         |                         |
| Endowment funds                 |    | <u>102</u>              | <u>102</u>              |
| <b>TOTAL FUNDS</b>              |    | <u><u>3,027,554</u></u> | <u><u>3,054,054</u></u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 27 April 2021 and were signed on its behalf by:

.....  
 Dr J Renshaw - Trustee

SCARBOROUGH COLLEGE LIMITED

**CASH FLOW STATEMENT**  
for the year ended 31 August 2020

|   | Notes | 2020<br>£             | 2019<br>£             |
|---|-------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>                               |       |                       |                       |
| Cash generated from operations  | 1     | (232,222)             | 34,969                |
| Interest paid   |       | <u>(127,941)</u>      | <u>(39,846)</u>       |
| Net cash used in operating activities                                     |       | <u>(360,163)</u>      | <u>(4,877)</u>        |
| <b>Cash flows from investing activities</b>                               |       |                       |                       |
| Purchase of intangible fixed assets                                       |       | (24,635)              | -                     |
| Purchase of tangible fixed assets   |       | (912,908)             | (2,509,372)           |
| Sale of tangible fixed assets   |       | 230,600               | -                     |
| Sale of fixed asset investments   |       | -                     | 10                    |
| Interest received   |       | <u>6,684</u>          | <u>7,892</u>          |
| Net cash used in investing activities                                     |       | <u>(700,259)</u>      | <u>(2,501,470)</u>    |
| <b>Cash flows from financing activities</b>                               |       |                       |                       |
| New loans in year   |       | 509,733               | 1,721,126             |
| Capital repayments in year  |       | <u>(120)</u>          | <u>(240)</u>          |
| Net cash provided by financing activities                                 |       | <u>509,613</u>        | <u>1,720,886</u>      |
| <b>Change in cash and cash equivalents in the reporting period</b>        |       |                       |                       |
|   |       | (550,809)             | (785,461)             |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |       |                       |                       |
|   |       | <u>855,277</u>        | <u>1,640,738</u>      |
| <b>Cash and cash equivalents at the end of the reporting period</b>       |       |                       |                       |
|   |       | <u><u>304,468</u></u> | <u><u>855,277</u></u> |

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT  
for the year ended 31 August 2020

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

|  | 2020             | 2019           |
|--|------------------|----------------|
|  | £                | £              |
| <b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b> | (22,645)         | (234,667)      |
| <b>Adjustments for:</b>  |                  |                |
| Depreciation charges   | 286,977          | 108,077        |
| Losses on investments  | 2                | -              |
| Profit on disposal of fixed assets   | (230,600)        | -              |
| Interest received  | (6,684)          | (7,892)        |
| Interest paid  | 127,941          | 39,846         |
| Increase/(decrease) in provisions  | (36,477)         | (39,104)       |
| (Increase)/decrease in stocks  | (11,608)         | 13,354         |
| Increase in debtors  | (547,470)        | (227,610)      |
| Increase in creditors  | <u>208,342</u>   | <u>382,965</u> |
| <b>Net cash (used in)/provided by operations</b>   | <u>(232,222)</u> | <u>34,969</u>  |

2. ANALYSIS OF CHANGES IN NET DEBT

|                                 | At 1.9.19          | Cash flow          | At 31.8.20         |
|---------------------------------|--------------------|--------------------|--------------------|
|                                 | £                  | £                  | £                  |
| <b>Net cash</b>                 |                    |                    |                    |
| Cash at bank                    | <u>855,277</u>     | <u>(550,809)</u>   | <u>304,468</u>     |
|                                 | <u>855,277</u>     | <u>(550,809)</u>   | <u>304,468</u>     |
| <b>Debt</b>                     |                    |                    |                    |
| Finance leases                  | (2,160)            | 120                | (2,040)            |
| Debts falling due within 1 year | (44,955)           | (18,164)           | (63,119)           |
| Debts falling due after 1 year  | <u>(2,235,582)</u> | <u>(491,569)</u>   | <u>(2,727,151)</u> |
|                                 | <u>(2,282,697)</u> | <u>(509,613)</u>   | <u>(2,792,310)</u> |
| <b>Total</b>                    | <u>(1,427,420)</u> | <u>(1,060,422)</u> | <u>(2,487,842)</u> |

## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

COVID-19 is not expected to have a significant impact on the College. The Governors have determined that there is no material uncertainty that casts doubt on the College's ability to continue as a going concern. It expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future performance, or the effects on some future asset valuations. The College therefore continues to adopt the going concern basis in preparing its financial statements.

### **Income**

Fees receivable, and charges for services and use of the premises, are accounted for in the academic year in which the service is provided. Fees receivable are after deduction of bursaries and allowances. Where fees are received in advance they are deferred until the criteria for income recognition are met. Donations and other income are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

### **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

### **Legacies**

Entitlement is when income is probable and measurable. A legacy receipt is normally probable when there has been a grant of probate, executors have established that there are sufficient assets, and any conditions attached to the legacy are in control or met by the charity. A legacy is measurable when it can be measured or estimated with sufficient reliability.

### **Government grants receivable**

Grants are recognised using the performance model. Grant income is recognised once both the income recognition criteria and terms and conditions attached to the grant are met. Grants receivable as compensation for expenses or losses already incurred, or for the purpose of receiving immediate financial support, are recognised in other operating income in the period in which they become receivable.

### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified on an actual basis wherever possible. Overhead and other costs not directly attributable to particular functional activity categories are apportioned on the basis of management estimates of the amount attributable to that category in the year, either by reference to staff time or space occupied, as appropriate. Costs include attributable VAT which cannot be recovered.

### **Allocation of support costs**

Support costs are those functions that assist the work of the College but do not directly undertake charitable activity. Support costs include the costs of office salaries and governance costs which support the College in the provision of education. The bases on which support costs have been allocated are set out in note 9.

### **Intangible assets**

Intangible assets comprise of a marketing film and website development costs, both of which are being amortised over their useful estimated lives of five years. Website development costs are capitalised on the basis that they meet the recognition criteria of an asset, namely that future economic benefits will flow to the entity.

Amortisation is recognised as an expense within the expenditure on charitable activities heading within the Statement of Financial Activities.

### **Tangible fixed assets**

Fixed assets are included in the accounts at cost less depreciation. Freehold land and buildings costs comprise previous revaluations as deemed cost on transition to FRS 102 and subsequent additions at cost. Depreciation of fixed assets has been provided at various rates which are anticipated to amortise the cost less residual value over the assets' expected useful lives. Indicative annual rates are:-

1. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

|   |                                  |
|---|----------------------------------|
| Freehold land                             | 0%                               |
| Freehold buildings                        | 0%-4% straight line              |
| Short leasehold property improvements     | over the term of the lease       |
| Motor rollers and mowers                  | 20% straight line                |
| Computers and other short life equipment  | 20%- 33% straight line           |
| Other equipment, furnishings and fittings | 2%, 5%, 10% or 20% straight line |

Management has estimated the useful life of the freehold buildings, except for Weaponness House, to be at least 100 years. Management have estimated the residual value of the freehold buildings to be generally higher than their book value and have accordingly charged no depreciation. Weaponness House has been assessed separately and improvements are being depreciated over a useful life of 25 years.

There is no specific capitalisation threshold for tangible fixed assets. Impairment reviews are undertaken annually for freehold land and buildings and for other assets when there is indication an asset may be impaired.

**Inventories**

Inventories are included at the lower of cost or net realisable value.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted income funds are available for use at the discretion of the trustees in furtherance of the general objectives of the College. Restricted income funds are funds to be used in accordance with specific restrictions imposed by donors or funds which have been raised for a particular purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The company contributes to both the Teachers' Pensions Agency (until December 2019 when members were withdrawn) and the Independent Schools' Pension defined benefit schemes at rates set by the schemes' actuaries. The schemes are multi-employer pension schemes, as a result of which it is neither possible nor appropriate to identify the assets and liabilities of the scheme which are attributable to the College. In accordance with FRS 102, the schemes are accounted for as defined contribution schemes. Contributions are charged in the financial statements in the period when they fall due. When the scheme is in deficit and where the College has agreed to a deficit funding arrangement, the College recognises a liability for this obligation. The company also operates two defined contribution schemes and the pension charge represents the amounts payable by the company to the pension funds in respect of the year.

**Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, other accounts receivable and payable and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Debt instruments, such as loans and other accounts receivable or payable, are initially measured at present value of the future payments and subsequently at amortised costs using the effective interest method.

**2. SIGNIFICANT JUDGEMENTS AND ESTIMATES**

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

**Critical judgements in applying the company's policies**

Impairment reviews

Impairment reviews are undertaken where there is an indication that an asset may be impaired. The recoverable amounts of freehold properties including integral features are based on valuations prepared by external professional RICS valuers and management's assessment of the present value of future cash flows expected to be derived from the asset.

**Critical accounting estimates and assumptions**

Useful economic lives and residual values of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The assumptions used regarding useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on market conditions and the physical condition of the assets.

The directors do not consider that any other judgements, estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3. DONATIONS AND LEGACIES**

|           | 2020         | 2019         |
|-----------|--------------|--------------|
|           | £            | £            |
| Donations | <u>8,914</u> | <u>1,050</u> |

The income from donations and legacies was £8,914 of which £1,100 (2019 - £nil) was restricted and £7,814 (2019 - £1,050) was unrestricted.

**4. OTHER TRADING ACTIVITIES**

|                                  | 2020           | 2019           |
|----------------------------------|----------------|----------------|
|                                  | £              | £              |
| Bus income                       | 59,971         | 76,250         |
| Special educational needs income | 34,314         | 19,013         |
| Holiday club income              | 6,073          | 14,853         |
| Registration fees                | 13,198         | 10,196         |
| School holiday and hiring income | 9,195          | 7,569          |
| Other trading income             | <u>25,299</u>  | <u>54,103</u>  |
|                                  | <u>148,050</u> | <u>181,984</u> |

**5. INVESTMENT INCOME**

|                          | 2020         | 2019         |
|--------------------------|--------------|--------------|
|                          | £            | £            |
| Deposit account interest | <u>6,684</u> | <u>7,892</u> |

The income from investments was all unrestricted.

6. INCOME FROM CHARITABLE ACTIVITIES

|            | Activity               | 2020<br>£          | 2019<br>£          |
|------------|------------------------|--------------------|--------------------|
| Gross fees | Provision of education | 6,107,427          | 5,945,620          |
| Allowances | Provision of education | <u>(1,398,289)</u> | <u>(1,057,186)</u> |
|            |                        | <u>4,709,138</u>   | <u>4,888,434</u>   |

The income from school fees was £4,709,138 (2019 - £4,888,434) of which £4,577,538 (2019 - £4,701,312) was unrestricted and £131,600 (2019 - £187,122) was restricted. Included within restricted funds is early years funding to fund early years education of pupils aged between 3 and 5 years old.

7. RAISING FUNDS

Raising funds

|                    | 2020<br>£      | 2019<br>£     |
|--------------------|----------------|---------------|
| Bank charges       | 25,215         | 19,552        |
| Bank loan interest | 113,602        | 45,223        |
| Other interest     | 9,240          | 8,000         |
| Bad debts          | <u>24,231</u>  | <u>(981)</u>  |
|                    | <u>172,288</u> | <u>71,794</u> |

8. CHARITABLE ACTIVITIES COSTS

|                        | Direct<br>Costs<br>£ | Support<br>costs (see<br>note 9)<br>£ | Totals<br>£      |
|------------------------|----------------------|---------------------------------------|------------------|
| Provision of education | <u>4,192,634</u>     | <u>988,221</u>                        | <u>5,180,855</u> |

Expenditure on charitable activities was £5,180,855 (2019 - £5,242,233) of which £131,068 (2019 - £220,619) was restricted and £5,049,787 (2019 - £5,021,614) unrestricted.

9. SUPPORT COSTS

The College initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are allocated to the charitable activity undertaken in the year. Refer to the table below for the basis of apportionment and the analysis of support and governance.

|                           | General support<br>£ | Governance<br>function<br>£ | Total<br>£ | Basis of<br>apportionment |
|---------------------------|----------------------|-----------------------------|------------|---------------------------|
| Salaries                  | 332,344              | -                           | 332,344    | Support costs             |
| Staff superannuation      | 5,669                | -                           | 5,669      | Support costs             |
| Agent commission          | 149,191              | -                           | 149,191    | Support costs             |
| HR services               | 21,091               | -                           | 21,091     | Support costs             |
| Advertising and marketing | 129,235              | -                           | 129,235    | Support costs             |
| Telephone                 | 30,375               | -                           | 30,375     | Support costs             |
| Postage and stationery    | 72,745               | -                           | 72,745     | Support costs             |
| Vehicles                  | 100,304              | -                           | 100,304    | Support costs             |
| Amortisation              | 5,089                | -                           | 5,089      | Support costs             |
| Depreciation              | 3,538                | -                           | 3,538      | Support costs             |
| Auditors' remuneration    | -                    | 10,910                      | 10,910     | Governance                |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 August 2020

9. SUPPORT COSTS - continued

|   |   |                |                |                |
|---|---|----------------|----------------|----------------|
| Auditors' remuneration for non audit work | - | 7,346          | 7,346          | Governance     |
| Governors indemnity insurance             | - | 711            | 711            | Governance     |
| Legal and professional fees               | - | 119,673        | 119,673        | Governance     |
|   |   | <u>849,581</u> | <u>138,640</u> | <u>988,221</u> |

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

|   | 2020             | 2019     |
|---|------------------|----------|
|   | £                | £        |
| Auditors' remuneration                    | 10,910           | 11,760   |
| Auditors' remuneration for non audit work | 7,346            | 6,329    |
| Depreciation - owned assets               | 281,888          | 104,147  |
| Surplus on disposal of fixed assets       | (230,600)        | -        |
| Marketing film amortisation               | 983              | 3,931    |
| Website development costs amortisation    | 4,106            | -        |
| Operating leases - equipment              | 56,559           | 44,738   |
| Operating leases - property               | 62,277           | 202,960  |
| Bank loan interest payable                | 113,602          | 45,223   |
| Government grants receivable              | <u>(149,769)</u> | <u>-</u> |

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

12. STAFF COSTS

|                       | 2020             | 2019             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 2,631,640        | 2,530,889        |
| Social security costs | 237,957          | 232,484          |
| Other pension costs   | <u>342,471</u>   | <u>305,103</u>   |
|                       | <u>3,212,068</u> | <u>3,068,476</u> |

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The College governors were not paid and did not receive any other benefits from employment with the College in the year, neither were they reimbursed expenses during the year. No governor received payment for professional or other services supplied to the College.

The key management personnel of the College comprise the governors, the Headmaster, the Headmaster of the Prep School and the Business Manager. The total employee benefits, including employer pension contributions, of the key management personnel of the College were £269,883 (2019 - £299,239).

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 August 2020

12. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                     | 2020            | 2019            |
|---------------------|-----------------|-----------------|
| £60,001 - £70,000   | 1               | 2               |
| £100,001 - £110,000 | <u>1</u>        | <u>-</u>        |
|                     | <u><u>2</u></u> | <u><u>2</u></u> |

The cost of providing a defined contribution pension for these employees was £18,153 (2019 - £21,343).

The average monthly head count was 106 staff (2019: 100 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

The average number of full-time equivalent employees, analysed by function, was:

|                            | 2020<br>Number   | 2019<br>Number   |
|----------------------------|------------------|------------------|
| Tuition                    | 53               | 52               |
| Administration and service | <u>33</u>        | <u>32</u>        |
|                            | <u><u>86</u></u> | <u><u>84</u></u> |

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

|   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Endowment<br>fund<br>£ | Total<br>funds<br>£ |
|---|----------------------------|--------------------------|------------------------|---------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>                   |                            |                          |                        |                     |
| Donations and legacies                              | 1,050                      | -                        | -                      | 1,050               |
| <b>Charitable activities</b>                        |                            |                          |                        |                     |
| Provision of education                              | 4,701,312                  | 187,122                  | -                      | 4,888,434           |
| Other trading activities                            | 181,984                    | -                        | -                      | 181,984             |
| Investment income                                   | <u>7,892</u>               | <u>-</u>                 | <u>-</u>               | <u>7,892</u>        |
| <b>Total</b>  | <b>4,892,238</b>           | <b>187,122</b>           | <b>-</b>               | <b>5,079,360</b>    |
| <b>EXPENDITURE ON</b>                               |                            |                          |                        |                     |
| Raising funds                                       | 71,794                     | -                        | -                      | 71,794              |
| <b>Charitable activities</b>                        |                            |                          |                        |                     |
| Provision of education                              | 5,021,614                  | 220,619                  | -                      | 5,242,233           |
| <b>Total</b>  | <b>5,093,408</b>           | <b>220,619</b>           | <b>-</b>               | <b>5,314,027</b>    |
| <b>NET INCOME/(EXPENDITURE)</b>                     | <b>(201,170)</b>           | <b>(33,497)</b>          | <b>-</b>               | <b>(234,667)</b>    |
| <b>Other recognised gains/(losses)</b>              |                            |                          |                        |                     |
| Actuarial gains/(losses) on defined benefit schemes | <u>(6,000)</u>             | <u>-</u>                 | <u>-</u>               | <u>(6,000)</u>      |
| <b>Net movement in funds</b>                        | <b>(207,170)</b>           | <b>(33,497)</b>          | <b>-</b>               | <b>(240,667)</b>    |

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

|                                    | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Endowment<br>fund<br>£ | Total<br>funds<br>£ |
|------------------------------------|----------------------------|--------------------------|------------------------|---------------------|
| <b>RECONCILIATION OF FUNDS</b>     |                            |                          |                        |                     |
| Total funds brought forward        | 3,186,857                  | 107,762                  | 102                    | 3,294,721           |
| <b>TOTAL FUNDS CARRIED FORWARD</b> | <u>2,979,687</u>           | <u>74,265</u>            | <u>102</u>             | <u>3,054,054</u>    |

14. INTANGIBLE FIXED ASSETS

|                       | Marketing<br>film<br>£ | Website<br>development<br>costs<br>£ | Totals<br>£   |
|-----------------------|------------------------|--------------------------------------|---------------|
| <b>COST</b>           |                        |                                      |               |
| At 1 September 2019   | 19,656                 | -                                    | 19,656        |
| Additions             | -                      | 24,635                               | 24,635        |
| At 31 August 2020     | <u>19,656</u>          | <u>24,635</u>                        | <u>44,291</u> |
| <b>AMORTISATION</b>   |                        |                                      |               |
| At 1 September 2019   | 18,673                 | -                                    | 18,673        |
| Charge for year       | 983                    | 4,106                                | 5,089         |
| At 31 August 2020     | <u>19,656</u>          | <u>4,106</u>                         | <u>23,762</u> |
| <b>NET BOOK VALUE</b> |                        |                                      |               |
| At 31 August 2020     | <u>-</u>               | <u>20,529</u>                        | <u>20,529</u> |
| At 31 August 2019     | <u>983</u>             | <u>-</u>                             | <u>983</u>    |

15. TANGIBLE FIXED ASSETS

|                       | Freehold<br>property<br>£ | Short<br>leasehold<br>£ | Fixtures<br>and<br>fittings<br>£ | Totals<br>£       |
|-----------------------|---------------------------|-------------------------|----------------------------------|-------------------|
| <b>COST</b>           |                           |                         |                                  |                   |
| At 1 September 2019   | 6,397,943                 | 88,461                  | 3,566,794                        | 10,053,198        |
| Additions             | 319,181                   | -                       | 71,942                           | 391,123           |
| Reclassification      | (74,823)                  | -                       | 74,823                           | -                 |
| At 31 August 2020     | <u>6,642,301</u>          | <u>88,461</u>           | <u>3,713,559</u>                 | <u>10,444,321</u> |
| <b>DEPRECIATION</b>   |                           |                         |                                  |                   |
| At 1 September 2019   | -                         | 2,949                   | 2,611,309                        | 2,614,258         |
| Charge for year       | 77,076                    | 3,538                   | 201,274                          | 281,888           |
| At 31 August 2020     | <u>77,076</u>             | <u>6,487</u>            | <u>2,812,583</u>                 | <u>2,896,146</u>  |
| <b>NET BOOK VALUE</b> |                           |                         |                                  |                   |
| At 31 August 2020     | <u>6,565,225</u>          | <u>81,974</u>           | <u>900,976</u>                   | <u>7,548,175</u>  |
| At 31 August 2019     | <u>6,397,943</u>          | <u>85,512</u>           | <u>955,485</u>                   | <u>7,438,940</u>  |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 August 2020

**16. FIXED ASSET INVESTMENTS**

The trade and assets and liabilities of the subsidiary company Scarborough College 2000 Ltd have been hived up during the period and the £2 investment brought forward has been treated as a disposal in these accounts as the company was struck off shortly after the year end.

**17. STOCKS**

|        | 2020          | 2019     |
|--------|---------------|----------|
|        | £             | £        |
| Stocks | <u>11,608</u> | <u>-</u> |

**18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2020             | 2019             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Trade debtors                      | 3,991,531        | 3,465,129        |
| Amounts owed by group undertakings | -                | 1,850            |
| Other debtors                      | 88,106           | 34,766           |
| Prepayments and accrued income     | <u>123,063</u>   | <u>153,485</u>   |
|                                    | <u>4,202,700</u> | <u>3,655,230</u> |

The amounts owed by the subsidiary undertaking are unsecured, non-interest bearing and repayable upon demand.

Fee debtors include £86,014 (2019 - £68,807) falling due after more than one year.

**19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | 2020             | 2019             |
|---|------------------|------------------|
|   | £                | £                |
| Bank loans and overdrafts (see note 21) | 63,119           | 44,955           |
| Hire purchase (see note 22)             | 120              | 120              |
| Trade creditors                         | 354,386          | 411,034          |
| Social security and other taxes         | 61,709           | 56,556           |
| Other creditors                         | 525,308          | 534,601          |
| Accrued expenses                        | 60,748           | 507,690          |
| Deferred income                         | <u>4,869,746</u> | <u>4,679,904</u> |
|   | <u>5,935,136</u> | <u>6,234,860</u> |

Deferred income comprises school fees paid in advance for the next school year. The balance included within creditors relates to amounts deferred during the reporting period of £4,869,746 (2019: £4,679,904), with amounts being released to the Statement of Financial Activities of £4,679,904 (2019: £4,429,096).

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 August 2020

**20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                       | 2020                    | 2019                    |
|---------------------------------------|-------------------------|-------------------------|
|                                       | £                       | £                       |
| Bank loans (see note 21)              | 2,727,151               | 2,235,582               |
| Hire purchase contracts (see note 22) | <u>1,920</u>            | <u>2,040</u>            |
|                                       | <u><u>2,729,071</u></u> | <u><u>2,237,622</u></u> |

Bank borrowings at the year end total £2,790,271. The original bank loan is repayable in 300 consecutive monthly instalments representing principal and interest, which commenced May 2016. The rate of interest payable on the loan is Base Rate plus 4.2% per annum. The loan matures in 2041. Further loan advances were obtained for the re-development of Weaponness House, which are repayable in 288 consecutive monthly instalments representing principal and interest and repayments commenced in April 2019. The rate of the interest payable on this loan is fixed at 4.52% per annum and it matures in 2043.

**21. LOANS**

An analysis of the maturity of loans is given below:

|   | 2020                    | 2019                    |
|---|-------------------------|-------------------------|
|   | £                       | £                       |
| Amounts falling due within one year on demand:  |                         |                         |
| Bank loans                                      | <u>63,119</u>           | <u>44,955</u>           |
| Amounts falling between one and two years:      |                         |                         |
| Bank loans - 1-2 years                          | <u>76,455</u>           | <u>86,363</u>           |
| Amounts falling due between two and five years: |                         |                         |
| Bank loans - 2-5 years                          | <u>256,129</u>          | <u>287,654</u>          |
| Amounts falling due in more than five years:    |                         |                         |
| Repayable by instalments:                       |                         |                         |
| Bank loans more 5 yr by instal                  | 2,394,567               | 1,861,565               |
| Hire purchase contracts                         | <u>1,440</u>            | <u>1,560</u>            |
|   | <u><u>2,396,007</u></u> | <u><u>1,863,125</u></u> |

**22. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

|                            | Hire purchase contracts |                     |
|----------------------------|-------------------------|---------------------|
|                            | 2020                    | 2019                |
|                            | £                       | £                   |
| Net obligations repayable: |                         |                     |
| Within one year            | 120                     | 120                 |
| Between one and five years | 480                     | 480                 |
| In more than five years    | <u>1,440</u>            | <u>1,560</u>        |
|                            | <u><u>2,040</u></u>     | <u><u>2,160</u></u> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 August 2020

22. LEASING AGREEMENTS - continued

|                            | Non-cancellable operating leases |                  |
|----------------------------|----------------------------------|------------------|
|                            | 2020                             | 2019             |
|                            | £                                | £                |
| Within one year            | 105,538                          | 119,080          |
| Between one and five years | 306,074                          | 331,181          |
| In more than five years    | <u>495,436</u>                   | <u>560,939</u>   |
|                            | <u>907,048</u>                   | <u>1,011,200</u> |

Operating lease payments recognised as an expense are £118,836 (2019 - £247,698).

23. SECURED DEBTS

The following secured debts are included within creditors:

|                         | 2020             | 2019             |
|-------------------------|------------------|------------------|
|                         | £                | £                |
| Bank loans              | 2,790,270        | 2,280,537        |
| Hire purchase contracts | <u>2,040</u>     | <u>2,160</u>     |
|                         | <u>2,792,310</u> | <u>2,282,697</u> |

The bank loans are secured by a legal charge on certain freehold properties held by the company and an unlimited debenture incorporating a fixed and floating charge. Finance leases are secured upon the assets to which they relate.

24. PROVISIONS FOR LIABILITIES

|            | 2020           | 2019           |
|------------|----------------|----------------|
|            | £              | £              |
| Provisions | <u>395,719</u> | <u>423,896</u> |

25. MOVEMENT IN FUNDS

|                                | At 1.9.19        | Net movement in funds | At 31.8.20       |
|--------------------------------|------------------|-----------------------|------------------|
|                                | £                | £                     | £                |
| <b>Called up share capital</b> |                  |                       |                  |
| Called up share capital        | 5,507            | -                     | 5,507            |
| <b>Unrestricted funds</b>      |                  |                       |                  |
| General fund                   | 2,958,940        | (28,132)              | 2,930,808        |
| Revaluation reserve            | <u>15,240</u>    | <u>-</u>              | <u>15,240</u>    |
|                                | 2,979,687        | (28,132)              | 2,951,555        |
| <b>Restricted funds</b>        |                  |                       |                  |
| Peggy Bailey legacy            | 73,470           | -                     | 73,470           |
| Early Years                    | 795              | 532                   | 1,327            |
| Cricket pavilion fund          | <u>-</u>         | <u>1,100</u>          | <u>1,100</u>     |
|                                | 74,265           | 1,632                 | 75,897           |
| <b>Endowment funds</b>         |                  |                       |                  |
| Endowment funds                | <u>102</u>       | <u>-</u>              | <u>102</u>       |
| <b>TOTAL FUNDS</b>             | <u>3,054,054</u> | <u>(26,500)</u>       | <u>3,027,554</u> |

25. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

|                           | Incoming resources<br>£ | Resources expended<br>£   | Gains and losses<br>£ | Movement in funds<br>£ |
|---------------------------|-------------------------|---------------------------|-----------------------|------------------------|
| <b>Unrestricted funds</b> |                         |                           |                       |                        |
| General fund              | 5,197,800               | (5,222,075)               | (3,857)               | (28,132)               |
| <b>Restricted funds</b>   |                         |                           |                       |                        |
| Early Years               | 131,600                 | (131,068)                 | -                     | 532                    |
| Cricket pavilion fund     | <u>1,100</u>            | <u>-</u>                  | <u>-</u>              | <u>1,100</u>           |
|                           | <u>132,700</u>          | <u>(131,068)</u>          | <u>-</u>              | <u>1,632</u>           |
| <b>TOTAL FUNDS</b>        | <u><u>5,330,500</u></u> | <u><u>(5,353,143)</u></u> | <u><u>(3,857)</u></u> | <u><u>(26,500)</u></u> |

Comparatives for movement in funds

|                                | At 1.9.18<br>£          | Net movement in funds<br>£ | At 31.8.19<br>£         |
|--------------------------------|-------------------------|----------------------------|-------------------------|
| <b>Called up share capital</b> |                         |                            |                         |
| Called up share capital        | 5,507                   | -                          | 5,507                   |
| <b>Unrestricted funds</b>      |                         |                            |                         |
| General fund                   | 3,166,110               | (207,170)                  | 2,958,940               |
| Revaluation reserve            | <u>15,240</u>           | <u>-</u>                   | <u>15,240</u>           |
|                                | 3,186,857               | (207,170)                  | 2,979,687               |
| <b>Restricted funds</b>        |                         |                            |                         |
| Peggy Bailey legacy            | 107,266                 | (33,796)                   | 73,470                  |
| Early Years                    | <u>496</u>              | <u>299</u>                 | <u>795</u>              |
|                                | 107,762                 | (33,497)                   | 74,265                  |
| <b>Endowment funds</b>         |                         |                            |                         |
| Endowment funds                | <u>102</u>              | <u>-</u>                   | <u>102</u>              |
| <b>TOTAL FUNDS</b>             | <u><u>3,294,721</u></u> | <u><u>(240,667)</u></u>    | <u><u>3,054,054</u></u> |

Comparative net movement in funds, included in the above are as follows:

|                           | Incoming resources<br>£ | Resources expended<br>£   | Gains and losses<br>£ | Movement in funds<br>£  |
|---------------------------|-------------------------|---------------------------|-----------------------|-------------------------|
| <b>Unrestricted funds</b> |                         |                           |                       |                         |
| General fund              | 4,892,238               | (5,093,408)               | (6,000)               | (207,170)               |
| <b>Restricted funds</b>   |                         |                           |                       |                         |
| Peggy Bailey legacy       | -                       | (33,796)                  | -                     | (33,796)                |
| Early Years               | <u>187,122</u>          | <u>(186,823)</u>          | <u>-</u>              | <u>299</u>              |
|                           | <u>187,122</u>          | <u>(220,619)</u>          | <u>-</u>              | <u>(33,497)</u>         |
| <b>TOTAL FUNDS</b>        | <u><u>5,079,360</u></u> | <u><u>(5,314,027)</u></u> | <u><u>(6,000)</u></u> | <u><u>(240,667)</u></u> |

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 August 2020

25. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

|                                | At 1.9.18<br>£          | Net<br>movement<br>in funds<br>£ | At<br>31.8.20<br>£      |
|--------------------------------|-------------------------|----------------------------------|-------------------------|
| <b>Called up share capital</b> |                         |                                  |                         |
| Called up share capital        | 5,507                   | -                                | 5,507                   |
| <b>Unrestricted funds</b>      |                         |                                  |                         |
| General fund                   | 3,166,110               | (235,302)                        | 2,930,808               |
| Revaluation reserve            | <u>15,240</u>           | <u>-</u>                         | <u>15,240</u>           |
|                                | 3,186,857               | (235,302)                        | 2,951,555               |
| <b>Restricted funds</b>        |                         |                                  |                         |
| Peggy Bailey legacy            | 107,266                 | (33,796)                         | 73,470                  |
| Early Years                    | 496                     | 831                              | 1,327                   |
| Cricket pavilion fund          | <u>-</u>                | <u>1,100</u>                     | <u>1,100</u>            |
|                                | 107,762                 | (31,865)                         | 75,897                  |
| <b>Endowment funds</b>         |                         |                                  |                         |
| Endowment funds                | <u>102</u>              | <u>-</u>                         | <u>102</u>              |
| <b>TOTAL FUNDS</b>             | <u><u>3,294,721</u></u> | <u><u>(267,167)</u></u>          | <u><u>3,027,554</u></u> |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                          |                           |
| General fund              | 10,090,038                 | (10,315,483)               | (9,857)                  | (235,302)                 |
| <b>Restricted funds</b>   |                            |                            |                          |                           |
| Peggy Bailey legacy       | -                          | (33,796)                   | -                        | (33,796)                  |
| Early Years               | 318,722                    | (317,891)                  | -                        | 831                       |
| Cricket pavilion fund     | <u>1,100</u>               | <u>-</u>                   | <u>-</u>                 | <u>1,100</u>              |
|                           | <u>319,822</u>             | <u>(351,687)</u>           | <u>-</u>                 | <u>(31,865)</u>           |
| <b>TOTAL FUNDS</b>        | <u><u>10,409,860</u></u>   | <u><u>(10,667,170)</u></u> | <u><u>(9,857)</u></u>    | <u><u>(267,167)</u></u>   |

The endowment fund is a prize giving fund, and represents monies held for the endowment of a prize.

The Peggy Bailey Legacy fund represents monies donated to the college restricted to the endowment of an award, prize or scholarship for students.

The Early Years fund represents government funding received for the education of pupils aged 3-5 years.

The cricket pavilion fund represents monies donated to the college towards the cost of rebuilding a new pavilion within the grounds of the college, following a fire which completely destroyed the previous building.

26. CALLED UP SHARE CAPITAL

|  | 2020<br>£    | 2019<br>£    |
|--|--------------|--------------|
| Allotted, called up and fully paid<br>5,507 Ordinary shares of £1 each | <u>5,507</u> | <u>5,507</u> |

Shares carry equal voting rights and each class of share also ranks equally in regard to distributions, including distributions arising from a winding up of the College.

**27. EMPLOYEE BENEFIT OBLIGATIONS**

Scarborough College Limited, together with many other independent schools, operates two contributory plans providing defined benefits based on final pensionable pay for its employees. The assets of the plans are held separately from those of Scarborough College Limited. They also operate a defined contribution scheme.

Contributions to four schemes during the year were based on the following percentages of salary:-

|                                     | <u>Employer</u> | <u>Employee</u> | <u>Total</u>  |
|-------------------------------------|-----------------|-----------------|---------------|
| Teachers' Pension Scheme            | 23.7%           | 7.4% - 11.7%    | 31.1% - 35.4% |
| Independent Schools' Pension Scheme | 8.0%            | 8.0%            | 16.0%         |
| Aviva Pension Scheme                | 16.5%           | 7.4% - 11.7%    | 23.9% - 28.2% |
| People's Pension                    | 3.0%            | 5.0%            | 8.0%          |

Both defined benefit pension schemes are multi-employer pension schemes, as a result of which it is neither possible nor appropriate to identify the assets and liabilities of the schemes which are attributable to the College. Accordingly the College has accounted for its contributions as if they were defined contribution schemes. The College took the decision to withdraw from the Teachers' Pension Scheme in December 2019, and all affected staff were transferred to the Aviva defined contribution scheme with effect from January 2020.

Outstanding amounts payable to the schemes at the year end were 2020 - £44,572 (2019 - £44,878).

**Independent Schools' Pension Scheme**

The College participates in the scheme, which is a multi-employer scheme, and provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the College 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 College 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 with an effective date of 30 September 2017. This actuarial valuation was certified on 27 December 2018 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

**Deficit contributions**

From 1 September 2019 to 30 April 2030: £2,387,357 per annum  
(payable monthly and increasing by 3% on each 1st September)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. 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 September 2016 to 31 August 2029: £2,341,000 per annum  
(payable monthly and increasing by 3% on each 1st September)

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

27. EMPLOYEE BENEFIT OBLIGATIONS - continued

Where the scheme is in deficit and where the College has agreed to a deficit funding arrangement, the College 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 value of provision**

|                            | 31 August 2020<br>(£'000s) | 31 August 2019<br>(£'000s) | 31 August 2018<br>(£'000s) |
|----------------------------|----------------------------|----------------------------|----------------------------|
| Present value of provision | 396                        | 424                        | 449                        |

**Reconciliation of opening and closing provisions**

|   | 2020<br>£<br>(£'000s) | 2019<br>£<br>(£'000s) |
|---|-----------------------|-----------------------|
| Provision as at 1 September 2019                      | 424                   | 449                   |
| Unwinding of the discount factor (interest expense)   | 4                     | 8                     |
| Deficit contribution paid                             | (36)                  | (39)                  |
| Remeasurement - impact of any change in assumptions   | 4                     | 19                    |
| Remeasurement - amendments to the contribution scheme | -                     | (13)                  |
|   | <u>396</u>            | <u>424</u>            |

**Income and expenditure impact**

|   | 2020<br>£<br>(£'000s) | 2019<br>£<br>(£'000s) |
|---|-----------------------|-----------------------|
| Interest expense  | 4                     | 8                     |
| Remeasurement - impact of any change in assumptions     | 4                     | 19                    |
| Remeasurement - amendments to the contribution schedule | -                     | (13)                  |
| Contributions paid in respect of future service         | -                     | 39                    |
| Costs recognised in income and expenditure account      | -                     | 4                     |

**Assumptions**

|                  | 31 August 2020<br>% per annum | 31 August 2019<br>% per annum | 31 August 2018<br>% per annum |
|------------------|-------------------------------|-------------------------------|-------------------------------|
| Rate of discount | 0.90                          | 1.10                          | 1.96                          |

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.

28. CAPITAL COMMITMENTS

|   | 2020<br>£ | 2019<br>£      |
|---|-----------|----------------|
| Contracted but not provided for in the financial statements | <u>-</u>  | <u>280,669</u> |

**29. RELATED PARTY DISCLOSURES**

During the year the company leased a property, on an arm's length basis from Broadland Properties Limited, for £60,000 (2019: £52,146). Mr R Guthrie (a director of Scarborough College Limited), is a director and person with significant control of Broadland Properties Limited, During the year the company received an unrestricted donation of £nil (2019: unrestricted donation of £550) from Broadland Properties Limited.

Three governors had children enrolled in the College during the year with fees payable at normal published rates totalling £74,117 (2019 £70,595).