

COLLEGE HOLDINGS 2012 LIMITED

Company registration 00 580 220

Annual Report

for the year ended 31 August 2017

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COMPANIES HOUSE

Report of the trustees

for the year ended 31 August 2017

The Trustees who are the directors of the group present their consolidated annual report for the year ended 31 August 2017 together with the audited financial statements for the year. It is confirmed that these comply with the requirements of the Charities Act 2011, the Companies Act 2006, the revised Company's Memorandum & Articles of Association and 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).

REFERENCE AND ADMINISTRATIVE INFORMATION

College Holdings 2012 Limited is a charitable company, incorporated in 1896 as a private limited company.

The Charity Registration Number for College Holdings 2012 Limited is 529739 and the Company Registration Number is 00580220. The Registered Office and principal address of the group is at Filey Road, Scarborough, North Yorkshire, YO11 3BA.

The website is :- www.scarboroughcollege.co.uk

Directors

The present Directors of the Group, who are also the Charity Trustees and the School Governors, and also any ex-Directors who served during the year as indicated, are:

Dr J Renshaw *	Chairman
Mr A S Green *	Deputy Chairman
Mr M Baines	
Mrs G A Braithwaite	
Mr J Cook *	
Mr S N Fairbank *	
Mr N Gardner	
Mr J M Green *	
Mrs V Gillingham	
Mr R Guthrie *	
Mr J R Marshall	
Dr I G H Renwick	
Mr J A Rowlands *	

* Denotes member of the Finance and Management sub-committee

Key management personnel: Key Executives

Headmaster:	Mr C M Ellison
Head of Prep School:	Mr C W Barker
Business Manager, Clerk to the Governors & Company Secretary:	Miss A J Higgins (appointed 5 December 2016)

Advisers:-

Auditors:	Moore Stephens Chartered Accountants 12-13 Alma Square Scarborough North Yorkshire YO11 1JU
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Bankers:	Lloyds Bank 1 St Nicholas Street Scarborough North Yorkshire YO11 2YY
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Report of the trustees

for the year ended 31 August 2017

Advisers (continued)

Solicitors: Lupton Fawcett Denison Till
Yorkshire House
East Parade
Leeds
LS1 5BD

Insurance Brokers: Marsh
Education Practice
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The parent company is governed by its Memorandum and Articles of Association dated 19 March 1957 and was registered with the Charities Commission on 11 March 1964. The Memorandum and Articles of Association were amended on 2 February 2012.

Governing Body

The directors, who are also the charity trustees and governors are stated on page 2, 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. Directors serve for a term of four years, and retiring directors can be re-elected for a further or successive term of four years. 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.

Director 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.

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 both Companies 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.

Group Structure

College Holdings 2012 Limited has a wholly owned subsidiary, Scarborough College Limited which in turn wholly owns a non-charitable subsidiary company, Scarborough College 2000 Limited, both companies are incorporated in Great Britain and registered in England. The subsidiary company provides day to day running of the College and Scarborough College 2000 Limited provides transportation services to the College.

Report of the trustees

for the year ended 31 August 2017

Related Parties

None of the governors receives remuneration or other benefits from their work with the Group. Any contractual relationships must be disclosed and notes of interest are retained in written form.

Two 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, directors 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 £20,000 (2016: £20,000) was paid to Broadland Properties for property rental on an arm's length basis. During the year the company also received an interest free loan repayable on demand of £105,306 and a restricted donation of £116,134 from Broadland Properties Limited towards the replacement of the astro pitch.

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.

Risk Management

The governors and the Board of the 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 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 of the identified risks are contained within the College Risk Management Summary.

OBJECTIVES AND ACTIVITIES

The objects of the Group, 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 Group's vision is to be a recognised leader in British independent education.

Mission Statement

The Group'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 Group

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 Group 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.

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 325 not including younger children attending the nursery.

Report of the trustees

for the year ended 31 August 2017

Volunteers

The Friends of Scarborough College, and the Old Scardeburgians Association (OSA) both continue to support the Group in many ways. Both groups fund raise to support projects in the Group 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 continue 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.

Public Benefit

The Group 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 Group 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 Group continues to take a leading role in many areas of support to the local community and particularly in sport. The all-weather sports pitch is used in the evenings during the week by the Scarborough Hockey Club. The Club has a large membership drawn from all areas of the Scarborough community and performs well in the area hockey league. The team train during the week and play matches on the College all weather pitch on a Saturday afternoon. The facility is also regularly used for tennis by the local community. During the winter football also has a large following in the town, and several teams of various age groups all play matches on the College sports field. In the summer cricket is the focus with Scarborough Cricket Club and several other village teams all using the wickets on the College sports field. The cricket teams all use the indoor nets situated in the College sports hall during the winter months and the outdoor nets on the sports field on the run up to the beginning of the season. The sports hall also provides facilities for tennis coaching.

The summer is exceptionally busy with local cricket matches, a cricket festival arranged in partnership with Scarborough Cricket Club, a two-week hockey academy, 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.

Other non-sport related use of the College, and available to the wider community, has included concerts, a venue for the National Student Drama Festival, Zumba fitness training, monthly concerts by the Scarborough Electric Organ Society, use of the main drama facility by another school for the production of their annual show, hosting of a book quiz involving numerous local schools, science days and music composition days for primary aged pupils from across the area and various other initiatives.

Community Service

Pupils in the upper age groups of the senior school undertake the Duke of Edinburgh Award scheme which requires them to complete an element of community service. Additionally, all age groups complete various fund raising activities, generating money for numerous charities including the local Rainbow Centre, Guide Dogs for the Blind, Scarborough MS Society and cancer related charities. All Sixth Form students are obliged to conduct service and many choose to involve themselves regularly in charity work and work assisting in other local schools. Charitable donations from fund raising activities amount to £4,761.

Bursary and scholarship awards

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 £228,774 and represented 4.6% of our gross fees. They provided assistance to 63 pupils, representing 19.3% of the school roll, of which 2 pupils benefited from a full fee remission.

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 £115,102 awarded to 51 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 89 pupils and amounted to £211,452.

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.

Report of the trustees

for the year ended 31 August 2017

Our ethos; a caring College serving our local community and society

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 a prospective pupil 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 are 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 termly news magazine (Horizons). All pupils have a Form Tutor responsible for pastoral care and academic development.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The public examination results this year continue to be excellent with record breaking results within the IB Diploma leading to the College being ranked as a Top 50 School by The Times. Students were successful at gaining places at the top universities. At GCSE, 88% of students passed 5 or more GCSE's at grades A* to C.

The College continues to make very good provision for creative and aesthetic developments with music, art and drama taught throughout the school. Interest in these areas is further fostered and developed in the Enrichment Programme (EP), which is a wholly positive experience for all students. Sports teams achieve considerable success in local inter-school competitions and the College offers some of the best hockey facilities on the Yorkshire coast. Students have the opportunity to become involved in voluntary service as part of their commitment from Year 10 in the Duke of Edinburgh's Award Scheme (D of E). Other activities on offer include football, badminton, war gaming, chess, climbing, 'boot camp' fitness sessions, archery, running and swimming. Pupils also achieved considerable success in engineering competitions.

FINANCIAL REVIEW AND RESULTS

The full consolidated financial statements and the Auditors' Report can be found in the accompanying Annual consolidated Accounts for the year.

The Group produced a surplus in 2016 – 2017 of £40,799. This does include income of £7,000 relating to the fair value adjustment on the defined benefit scheme. It is planned that the Group will next year be once again in surplus and hoped that this position can be maintained for future years.

Despite the difficult economic climate, the projections for future pupil numbers indicate the continuance of positive growth, and that the Group can continue generating small surpluses.

The level of depreciation reflects the continuing investment in the school facilities in recent years. A continual programme of repair and refurbishment over the year has ensured the fabric of the numerous buildings has been maintained to a good standard.

Report of the trustees

for the year ended 31 August 2017

Key performance indicators

	2017	2016	2015	2014	2013
IB Diploma pass rate	88%	88%	95%	95%	95%
GCSE pass rate (A*-C)	88%	95%	89%	88%	90%
Net fee income (£'000)	4,416	3,755	3,899	3,544	3,158
Non fee income (£'000)	245	120	173	116	202
Net incoming (outgoing) resources before fair value adjustments (£'000)	34	(176)	28	(153)	(313)
Capital expenditure (£'000)	508	41	29	18	49

Reserves Policy

The Group's unrestricted funds stood at £2,510,992 at the year end, and these were wholly deployed in funding the Groups' Capital Expenditure on the premises and equipment. The Group's restricted funds stood at £140,354 at the year end.

The policy of the Trustees and the Directors of the Group is to aim to continue to retain reserves of £1 million or more, 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 the group the current market value of the Group's land and buildings was not less than the amount £4,059,002 shown in the balance sheet.

FUTURE PLANS

As mentioned in previous reports the new school has a number of redundant buildings that are surplus to requirements, and the Board have appointed a Property Agent. The Board, with the Property Agent, have moved forward with the preparation of a plan for the rationalisation, redevelopment or sale covering every area of the College estate. Part of that plan came to fruition in the latter part of the financial year with the main part of the former Bramcote School building going forward for sale with contract exchange, with deferred consideration.

The College will continue to expand its various third party activities using the College facilities in order to maintain an element of income outside of the standard fees charged to parents.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Group has arranged qualifying third party indemnity for all of its directors.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of College Holdings 2012 Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and Charity Law requires the Trustees and Directors to prepare financial statements for each 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 the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK 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.

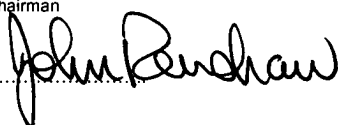
The Trustees (Directors) are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Companies Act 2006. They 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved and signed on behalf of the Board of Directors by:

Dr John Renshaw
Chairman



Independent auditor's report to the members and trustees of College Holdings 2012 Limited

for the year ended 31 August 2017

We have audited the financial statements of College Holdings 2012 Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the consolidated statement of financial activities, the consolidated and parent company balance sheet, the consolidated 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, including FRS 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 group's and the parent charitable company's affairs as at 31 August 2017 and of the group's 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 and the Charities Act 2011.

This report is made solely to the charitable group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable group's members and the charity's trustees 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 group, the charitable group's members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 group and parent 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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report of the following matters in 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 group'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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our audit 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 matter 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, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the trustees have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members and trustees of College Holdings 2012 Limited

for the year ended 31 August 2017

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

adequate and sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of trustees' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees 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 group'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 group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Sarah-Jane Sargent (Senior Statutory Auditor)
for and on behalf of Moore Stephens
Statutory Auditor
Chartered Accountants
11-12 Alma Square
Scarborough
YO11 1JU

15 December 2017

Moore Stephens is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of financial activities (including income and expenditure account)

for the year ended 31 August 2017

		2017			2016		
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from:							
Donations and legacies	2	2,298	116,134	118,432	642	0	642
Charitable activities	3	4,247,190	168,681	4,415,871	3,634,038	120,767	3,754,805
Other trading activities	4	126,604	-	126,604	118,797	0	118,797
Investments	5	299	-	299	698	0	698
Total income		4,376,391	284,815	4,661,206	3,754,175	120,767	3,874,942
Expenditure on:							
Raising funds	6	154,957	-	154,957	170,049	0	170,049
Charitable activities	7	4,303,823	168,627	4,472,450	3,760,016	120,545	3,880,561
Total expenditure		4,458,780	168,627	4,627,407	3,930,065	120,545	4,050,610
Net income/(expenditure)		(82,389)	116,188	33,799	(175,890)	222	(175,668)
Transfer between funds		133,060	(133,060)	-	600	(600)	-
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes		7,000	-	7,000	(205,000)	-	(205,000)
Net movement in funds		57,671	(16,872)	40,799	(380,290)	(378)	(380,668)
Reconciliation of funds:							
Total funds brought forward at 31 August 2016		2,474,170	157,124	2,631,294	2,854,460	157,502	3,011,962
Total funds carried forward at 31 August 2017		2,531,841	140,252	2,672,093	2,474,170	157,124	2,631,294

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

Consolidated Balance sheet

as at 31 August 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	15		8,846		12,777
Tangible assets	16		4,462,825		5,580,217
Investments	17		10		10
Total fixed assets			<u>4,471,681</u>		<u>5,593,004</u>
Current assets					
Debtors	18	4,472,121		2,985,867	
Cash at bank and in hand		617,576		249,509	
Total current assets		<u>5,089,697</u>		<u>3,235,376</u>	
Liabilities					
Creditors: amounts falling due within one year	19	5,825,714		4,611,387	
Net current assets/(liabilities)			<u>(736,017)</u>		<u>(1,376,011)</u>
Total assets less current liabilities			<u>3,735,664</u>		<u>4,216,993</u>
Creditors: falling due after more than one year	21		(574,571)		(1,059,699)
Net assets excluding pension asset/liability			<u>3,161,093</u>		<u>3,157,294</u>
Defined benefit pension scheme asset or liability	31		(489,000)		(526,000)
Net assets			<u><u>2,672,093</u></u>		<u><u>2,631,294</u></u>
The funds of the charity:					
Endowment funds	25.02		102		102
Merger reserve	25.05		5,507		5,507
Restricted income funds	25.03		140,252		157,124
Unrestricted funds	25.01		2,510,992		2,453,321
Revaluation reserve	25.04		15,240		15,240
Total charity funds			<u><u>2,672,093</u></u>		<u><u>2,631,294</u></u>

Approved by the board of directors and authorised for issue on 14/12/17



Dr J Renshaw

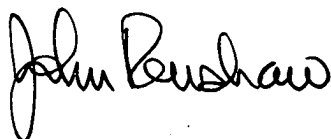
Company balance sheet

as at 31 August 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	16		1,190,000		2,585,867
Total fixed assets			<u>1,190,000</u>		<u>2,585,867</u>
Current assets					
Debtors	18	852,368		-	
Total current assets		<u>852,368</u>		<u>-</u>	
Liabilities					
Creditors: amounts falling due within one year	19	510,608		383,148	
Net current assets/(liabilities)			<u>341,760</u>		<u>(383,148)</u>
Total assets less current liabilities			<u>1,531,760</u>		<u>2,202,719</u>
Creditors: falling due after more than one year	21		-		477,204
Net assets excluding pension asset/liability			<u>1,531,760</u>		<u>1,725,515</u>
Defined benefit pension scheme asset or liability	31		-		-
Net assets			<u><u>1,531,760</u></u>		<u><u>1,725,515</u></u>
The funds of the charity:					
Unrestricted funds	25.01		1,531,760		1,725,515
Total charity funds			<u><u>1,531,760</u></u>		<u><u>1,725,515</u></u>

The net outgoing resources for the year for the parent company was £193,755 (2016: £2,755).

Approved by the board of directors and authorised for issue on 14.12.17



Dr J Renshaw

Consolidated Statement of cash flows

for the year ended 31 August 2017

	2017	2017	2016	2016
Cash flows from operating activities				
Cash generated from operations	847,548		113,348	
Interest paid	(58,883)		(46,286)	
Interest element of finance lease payments paid	(657)		(12,005)	
Net cash generated from operating activities		788,008		55,057
Cash flows from investing activities				
Payments to acquire tangible fixed assets	(453,447)		(41,482)	
Sale of tangible fixed assets	524,966		1,041	
Interest received	299		698	
Net cash used from investing activities		71,818		(39,743)
Cash flow from financing activities				
Finance lease capital raised/(repaid)	(12,286)		(5,631)	
Loans received/(repaid)	(479,473)		(68,580)	
Net cash from financing activities		(491,759)		(74,211)
Increase (decrease) in cash and cash equivalents		368,067		(58,897)
Cash and cash equivalents at beginning of year		249,509		308,406
Cash and cash equivalents at end of year		<u>617,576</u>		<u>249,509</u>

Notes to the consolidated statement of cash flows
(a) Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the reporting period	33,799	(175,668)
Adjustments for:		
Depreciation charges	54,084	47,192
Amortisation charges	3,931	3,931
(Gains) or losses on investments	-	(53)
(Gains) or losses on sale of fixed assets	193,972	(698)
Interest payable	66,603	75,855
Decrease/(increase) in debtors	(678,421)	(289,021)
Increase/(decrease) in creditors	1,210,580	487,810
Increase/(decrease) in provisions	(37,000)	(36,000)
Net cash provided by (used in) operating activities	<u>847,548</u>	<u>113,348</u>

(b) Analysis of cash and cash equivalents

	2017 £	2016 £
Cash and cash equivalents	<u>617,576</u>	<u>249,509</u>

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £10,016 (2016 - £nil).

Notes to the consolidated accounts

for the year ended 31 August 2017

1 Accounting policies

These consolidated financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statements 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) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

College Holdings 2012 Limited 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 note.

1.01 Preparation of the accounts on a going concern basis

After reviewing the Group's forecasts and projections the governors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

1.02 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

No significant judgements have had to be made by management in preparing these financial statements.

*Critical accounting estimates and assumptions*Useful economic lives and residual values of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful 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 the market conditions and physical conditions of the assets.

1.03 Income

Fees receivable and charges for services and use of 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 (see note 20). 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.

The College has a functional and presentational currency of Pound Sterling (GBP).

1.04 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.

1.05 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.

1.06 Allocation of support costs

Support costs are those functions that assist the work of the Group but do not directly undertake charitable activity. Support costs include the costs of office salaries and governance costs which support the Group in the provision of education. The bases on which support costs have been allocated are set out in note 8.

1.07 Financial instruments

The Group 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 and payable are initially measured at present value of the future payments and subsequently at amortised costs using the effective interest method.

1.08 Intangible assets

Intangible assets comprise a marketing film which is being amortised over its estimated useful life of five years.

Notes to the consolidated accounts

for the year ended 31 August 2017

1.09 Tangible fixed assets

Fixed assets, with the exception of freehold land and buildings, are included in the accounts at cost less depreciation. Freehold land and buildings cost comprise a previous revaluation as deemed cost on transition to FRS 102. 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	Not Provided
Motor rollers and mowers	20% straight line
Computers and other short life equipment	20% and 33% straight line
Other equipment, furnishings and fittings	2%, 10% and 20% straight line

Management has estimated the useful life of the freehold buildings to be at least 100 years. Management have estimated the residual value of the freehold buildings to be higher than their deemed cost and have accordingly charged depreciation at £nil (£2016: £nil).

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.

1.10 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit and loss if the shares are publicly traded or their fair value can be measured reliably. Other investments are measured at cost less impairment.

1.11 Grants and donations for fixed assets

The relevant assets are capitalised at cost and depreciated in accordance with note 1.07. The grant or donation is recognised in the statement of financial activities on receipt by being credited to the restricted capital grant fund and is now released by a transfer to unrestricted fund when the asset has been purchased, previously this was over the estimated lives of the assets.

1.12 Fund accounting

Unrestricted income funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Group. 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.

1.13 Leases

Assets acquired under finance lease agreements, including hire purchase agreements, are capitalised and the corresponding liability is included in creditors. Hire purchase interest is charged to the profit and loss account on a straight line basis over the period of the agreement. Operating lease rentals are included within expenses of the period to which they relate.

1.14 Pension costs

The Group contributes to both the Teachers' Pensions Agency and 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 schemes which are attributable to the Group. In accordance with FRS 102, therefore, the schemes are accounted for as defined contribution schemes. Contributions are charged in the financial statements in the period when they fall due. Where the scheme is in deficit and where the Group has agreed to a deficit funding arrangement, the Group recognises a liability for this obligation. The Group also operates a defined contribution scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.15 Related parties

The company has taken advantage of the exemption, under the terms of FRS 102, not to disclose related party transactions with the wholly owned subsidiaries within the group.

1.16 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.

2 Income from donations and legacies

	Unrestricted funds 2017 £	Unrestricted funds 2016 £
Donations	118,432	642
Total income from donations and legacies	118,432	642

The income from donations and legacies was £118,432 (2016: £642) of which £116,134 (2016: £nil) was restricted and £2,298 (2016: £642) was unrestricted.

3 Income from charitable activities

	2017 £	2016 £
Income from school fees		
Gross fees	4,971,199	4,235,013
Less: Bursaries, grants and allowances	(555,328)	(480,208)
Total income from charitable activities	4,415,871	3,754,805

The income from school fees was £4,415,871 (2016: £3,754,805) of which £4,247,190 (2016: £3,634,038) was unrestricted and £168,681 (2016: £120,767) was restricted. Included within restricted funds is early years funding to fund early years education of pupils aged between 3 and 5 years old.

Notes to the consolidated accounts

for the year ended 31 August 2017

4 Income from other trading activities

	Unrestricted funds 2017 £	Unrestricted funds 2016 £
Holiday club income	38,093	26,880
Less discounts	(6,421)	(4,236)
Subtotal: holiday club income	31,672	22,644
Income from school holiday/hirings	10,560	16,367
Bus income	44,033	43,470
Registration fees	8,694	7,597
Additional chargeable activities	15,234	13,019
Sponsorship	600	1,000
Non-refundable deposits	1,041	1,200
Profit on disposal of assets	1,460	-
Special educational needs income	13,310	13,500
Total income from other trading activities	126,604	118,797

5 Investment income

All of the group's investment income of £82 (2016: £698) arises from money held in interest bearing deposit accounts.

6 Analysis of expenditure on raising funds

	2017 £	2016 £
Trading expenses	63,901	58,317
Bank charges	18,137	36,522
Bank loan interest	26,498	34,719
Bond interest	33,404	32,135
Other interest	7,000	9,000
Bad debts	5,181	(2,804)
Deferred tax	836	2,160
	154,957	170,049

7 Analysis of expenditure on charitable activities

	Provision of Education 2017 £	Total 2016 £
Teaching costs	2,365,804	2,222,824
Welfare costs	509,856	419,781
Premises costs	905,854	620,272
Support costs (see note 8)	550,873	529,309
Governance costs (see note 8)	140,063	88,375
Total	4,472,450	3,880,561

Expenditure on charitable activities was £4,472,450 (2016: £3,880,561) of which £168,627 (2016: £120,545) was restricted and £4,303,825 (2016: £3,760,016) unrestricted.

8 Analysis of governance and support costs

The Group 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 for apportionment and the analysis of support and governance.

	General support £	Governance function £	Total £	Basis of apportionment
Salaries	185,189	-	185,189	Support cost
Staff superannuation	4,422	-	4,422	Support cost
Advertising and marketing	126,892	-	126,892	Support cost
Telephone	26,315	-	26,315	Support cost
Vehicles	56,610	-	56,610	Support cost
Depreciation	1,266	-	1,266	Support cost
Amortisation	3,931	-	3,931	Support cost
Stationery, printing, postage and administration	63,369	-	63,369	Support cost
HR Services	7,977	-	7,977	Support cost
Professional fees	2,130	-	2,130	Support cost
Agent's commission	72,772	-	72,772	Support cost
Legal and professional fees	-	115,044	115,044	Governance cost
Accountancy	-	7,330	7,330	Governance cost
Audit fees	-	17,000	17,000	Governance cost
Governors indemnity insurance	-	689	689	Governance cost
	550,873	140,063	690,936	

Notes to the consolidated accounts

for the year ended 31 August 2017

9 Net income/(expenditure) for the year

	2017 £	2016 £
This is stated after charging:		
Loss/(profit) on disposal of fixed assets	193,972	(698)
Operating leases - equipment	87,687	73,952
Depreciation	53,671	46,454
Amortisation	3,931	3,931
Bank loan interest payable	26,498	34,719
Other interest payable	40,404	41,135
Auditor's remuneration - audit fees	12,200	-
- Moore Stephens	-	-
- Winn & Co	4,800	6,750
Accountancy services	7,330	13,872
- Moore Stephens	-	-

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2017 £	2016 £
Wages and salaries	2,242,495	2,155,787
Social security costs	200,959	171,133
Pension contributions	284,460	258,462
	<u>2,727,914</u>	<u>2,585,382</u>

Employees' emoluments in excess of £60,000

	Number	Number
£60,000 - £70,000	-	-
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-

The cost of providing a defined contribution pension for these employees was £13,170 (2016 - £12,360)

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

The governors were not paid and did not receive any other benefits from employment with the Group in the year (2016 : £nil) neither were they reimbursed expenses during the year (2016: £nil). No governor received payment for professional or other services supplied to the Group (2016: £nil).

The key management personnel of the Group comprise the governors, the Headmaster, the Headmaster of the Junior School and the business manager. The total employee benefits, including employer pension contributions, of the key management personnel of the College were £213,697 (2016: £180,600).

11 Staff numbers

The average monthly head count was 98 staff (2016: 93 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

The average number of full time equivalent employees, analysed by function, was:

	2017 Number	2016 Number
Tuition	50	50
Administration and services	30	29
	<u>80</u>	<u>79</u>

12 Corporation Taxation

The Group is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applicable to its charitable objects.

13 Interest payable and similar charges

	2017 £	2016 £
Bond interest	33,404	32,135
Bank loans and overdrafts	25,841	34,719
Interest expenses - unwinding of discount factor	7,000	9,000
Finance leases	657	1,205
	<u>66,902</u>	<u>77,059</u>

14 Profit of the parent company

As permitted by Section 408 of Companies Act 2006, the statement of financial activities of the parent company is not presented as part of these financial statements.

Notes to the consolidated accounts

for the year ended 31 August 2017

15 Intangible assets
Group

Cost (or Valuation)	Marketing film
As at 31 August 2016	£ 19,656
Additions	-
As at 31 August 2017	<u>19,656</u>
Amortisation	
As at 31 August 2016	6,879
Provided in year	3,931
As at 31 August 2017	<u>10,810</u>
Net book value	
As at 31 August 2017	<u>8,846</u>
As at 31 August 2016	<u>12,777</u>

16 Tangible assets

Group	Freehold land & buildings	Motor vehicles	Equipment, furniture & fittings	Total
Cost	£	£	£	£
As at 31 August 2016	5,435,867	14,345	2,675,934	8,126,146
Additions	193,889	-	314,124	508,013
Disposals	(1,570,754)	(2,000)	(158,595)	(1,731,349)
As at 31 August 2017	<u>4,059,002</u>	<u>12,345</u>	<u>2,831,463</u>	<u>6,902,810</u>
Depreciation				
As at 31 August 2016	-	12,130	2,533,799	2,545,929
Provided in year	-	412	53,672	54,084
Disposals	-	(1,433)	(158,595)	(160,028)
As at 31 August 2017	<u>-</u>	<u>11,109</u>	<u>2,428,876</u>	<u>2,439,985</u>
Net book value				
As at 31 August 2017	<u>4,059,002</u>	<u>1,236</u>	<u>402,587</u>	<u>4,462,825</u>
As at 31 August 2016	<u>5,435,867</u>	<u>2,215</u>	<u>142,135</u>	<u>5,580,217</u>

Freehold properties are used to secure bank loans of £586,754 and parent company bond holders of £510,608.

The net book value of tangible fixed assets includes £11,731 (2016 - £8,877) in respect of assets held under hire purchase contracts.

Company

Cost	Freehold land & buildings
As at 31 August 2016	£ 2,585,867
Additions	174,887
Disposals	(1,570,754)
As at 31 August 2017	<u>1,190,000</u>
Depreciation	
As at 31 August 2016	-
As at 31 August 2017	<u>-</u>
Net book value	
As at 31 August 2017	<u>1,190,000</u>
As at 31 August 2016	<u>2,585,867</u>

Notes to the consolidated accounts

for the year ended 31 August 2017

17 Fixed asset investments
Group
Cost or valuation

As at 31 August 2016

As at 31 August 2017

Listed investments (at valuation) £	Total £	2016 £
10	10	10
10	10	10

Company

The company's investments at the balance sheet date are as follows:

Scarborough College Limited
 Company number: 50404
 Charity number: 529686
 Registered office: Filey Road, Scarborough, North Yorkshire, YO11 3BA
 Nature of business: Private school

Class of shares: % holding
 Ordinary shares 100
 Number of shares 5,507

Summaries of the results of the subsidiary are as follows:

	2017 £	2016 £
Gross income	4,680,163	3,905,742
Expenditure	(4,444,773)	(4,284,250)
Surplus / (deficit)	235,390	(378,508)
Assets	7,556,951	6,618,272
Liabilities	(6,421,764)	(5,718,475)
Funds	1,135,187	899,797

The results of the subsidiary are included in the consolidated accounts.

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
18 Debtors				
Amounts due within one year				
Fee debtors	3,468,145	2,900,571	-	-
Amounts owed from subsidiary company	-	-	44,535	-
Prepayments and accrued income	178,398	65,384	-	-
Other debtors	825,578	19,912	807,833	-
	<u>4,472,121</u>	<u>2,985,867</u>	<u>852,368</u>	<u>-</u>

The amounts owed by the subsidiary undertakings are unsecured, non-interest bearing and repayable upon demand.

Fee debtors include £59,940 (2016 - £44,447) falling due after more than one year.

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
19 Creditors: amounts falling due within one year				
Bank loan (see note 22)	14,464	13,151	-	-
Trade creditors	242,295	153,813	-	-
Amounts owed to subsidiary company	-	-	-	383,148
Finance leases (see note 26)	7,702	5,630	-	-
Accruals	41,965	32,233	-	-
Tax and social security	50,227	133,813	-	-
Deferred income (see note 20)	4,494,340	4,038,235	-	-
Other creditors	974,721	234,512	510,608	-
	<u>5,825,714</u>	<u>4,611,387</u>	<u>510,608</u>	<u>383,148</u>

Notes to the consolidated accounts

for the year ended 31 August 2017

20 Deferred income

Deferred income comprises school fees paid in advance for the next school year.

	2017	2016
	£	£
Balance as at 1 September	4,038,235	3,541,417
Amount released to income earned from charitable activities	(4,038,235)	(3,541,417)
Amount deferred in year	4,494,340	4,038,235
Balance as at 31 August	<u>4,494,340</u>	<u>4,038,235</u>

21 Creditors: amounts falling due after more than one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 22)	572,290	575,872	-	-
Other loans	-	477,204	-	477,204
Finance leases (see note 25)	2,281	6,623	-	-
	<u>574,571</u>	<u>1,059,699</u>	<u>-</u>	<u>477,204</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.

Bank borrowings at the year end total £586,754. The bank loan is repayable in 300 consecutive monthly instalments representing principal and interest and commenced May 2016. The rate of the interest payable on the loan is Base Rate plus 4.2% per annum, currently 4.7% per annum. The loan matures in 2041.

22 Loans

An analysis of the maturity of loans is given below:

	Bank loans	Secured bonds	2017	2016
	£	£	£	£
- instalments due within one year	14,464	510,608	525,072	490,355
- instalments due within one to two years	15,120	-	15,120	13,775
- instalments due within two to five years	49,595	-	49,595	45,370
- instalments due after five years	507,575	-	507,575	516,727
	<u>586,754</u>	<u>510,608</u>	<u>1,097,362</u>	<u>1,066,227</u>

23 Contingent asset

The company has received notification during the year of a legacy comprising a share of the residual estate which the trustees considered could not be reliably measured. Probate was granted during the year and an interim payment of £300,000 was notified and received after the year end subject to an indemnity being provided.

24 Allocation of net assets between funds

	Fixed assets	Net current assets/ (liabilities)	Long term liabilities	Total
	£	£	£	£
Group				
Endowment fund	-	102	-	102
Merger reserve	-	5,507	-	5,507
Restricted funds	-	140,252	-	140,252
Unrestricted funds	4,456,441	(1,370,878)	(574,571)	2,510,992
Revaluation reserve	15,240	-	-	15,240
	<u>4,471,681</u>	<u>(1,225,017)</u>	<u>(574,571)</u>	<u>2,672,093</u>
Company				
Unrestricted funds	<u>1,190,000</u>	<u>341,760</u>	<u>-</u>	<u>1,531,760</u>

Notes to the consolidated accounts

for the year ended 31 August 2017

25 Analysis of charitable funds
25.01 Analysis of movements in unrestricted funds

	At 31 August 2016 £	<u>Movement in resources</u>		Funds transfer £	At 31 August 2017 £
		Incoming £	Outgoing £		
General fund					
Group					
At 31 August	<u>2,453,321</u>	<u>4,376,391</u>	<u>(4,451,780)</u>	<u>133,060</u>	<u>2,510,992</u>
Company					
At 31 August	<u>1,725,515</u>	<u>217</u>	<u>(193,972)</u>	<u>-</u>	<u>1,531,760</u>

The general fund relates to 'free reserves' after allowing for movement in resources during the year.

25.02 Analysis of movements in endowment funds

	At 1 September 2016 £	<u>Movement in resources</u>		Funds transfer £	At 31 August 2017 £
		Incoming £	Outgoing £		
Endowment fund					
Prize-giving fund	<u>102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102</u>

The prize giving fund represents monies held for the endowment of an prize.

Analysis of movements in restricted funds
25.03 Restricted funds

	At 1 September 2016 £	<u>Movement in resources</u>		Funds transfer £	At 31 August 2017 £
		Incoming £	Outgoing £		
Group					
Capital grants	16,417	-	-	(16,417)	-
Centenary appeal fund	509	-	-	(509)	-
Peggy Bailey legacy	139,765	-	-	-	139,765
Early Years funding	433	168,681	(168,627)	-	487
Astro Pitch donation	<u>-</u>	<u>116,134</u>	<u>-</u>	<u>(116,134)</u>	<u>-</u>
	<u>157,124</u>	<u>284,815</u>	<u>(168,627)</u>	<u>(133,060)</u>	<u>140,252</u>

Name of restricted fund

 Capital grants
Centenary appeal fund
Peggy Bailey Legacy

Description, nature and purposes of the fund

 Monies donated to the college for the purchase of equipment.
Monies donated to the college for the purchase of all weather sports pitch.
Represents monies donated to the college restricted to the endowment of an award, prize or scholarship for students.
Early years funding
Government funding received for the education of pupils aged 3-5 years.
Astro Pitch donation
Donation received to replace the astro pitch.

25.04 Analysis of movements in revaluation reserve

	At 31 August 2016 £	<u>Movement in resources</u>		Funds transfer £	At 31 August 2017 £
		Gain £	Loss £		
Revaluation reserve					
Group					
At 31 August	<u>15,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,240</u>

The revaluation reserve arose on the previous revaluation of land and buildings treated as deemed cost upon transition to FRS 102.

25.05 Analysis of movements in merger reserve

	At 31 August 2016 £	<u>Movement in resources</u>		Funds transfer £	At 31 August 2017 £
		Gain £	Loss £		
Merger reserve					
Group					
At 31 August	<u>5,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,507</u>

The merger reserve arose on the consolidated of the group.

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26 Obligations under leasing arrangements

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Finance leases				
Minimum lease payments under operating leases fall due as follows:				
Net obligations repayable				
Within one year	7,702	5,630	-	-
Between one and five years	600	4,823	-	-
After more than five years	1,681	1,800	-	-
	<u>9,983</u>	<u>12,253</u>	<u>-</u>	<u>-</u>

The following operating lease payments are committed to be paid:

	Other operating leases	
	2017	2016
	£	£
Expiring:		
Within one year	149,107	67,575
Between one and five years	93,528	87,995
After more than five years	<u>44,637</u>	<u>22,767</u>

Operating lease payments recognised as an expense are £87,617 (2016 - £39,422).

27 Secured debts

The following secured debts are included within creditors:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	586,754	589,023	-	-
Other loans	510,608	477,204	510,608	477,204
Finance leases	9,983	12,253	-	-
	<u>1,107,345</u>	<u>1,078,480</u>	<u>510,608</u>	<u>477,204</u>

Other loans comprise 7% Interest Secured Bonds which are secured on the school land and buildings.

Bank borrowings at the year end total £586,754. The bank loan is repayable in 300 consecutive monthly instalments representing principal and interest and commenced May 2016. The rate of the interest payable on the loan is Base Rate plus 4.2% per annum, currently 4.7% per annum. The loan matures in 2041.

The bank loans are secured on certain freehold properties held by the group and finance leases are secured upon the assets to which they relate.

28 Commitments

	2017	2016
	£	£
Capital commitments contracted for but not provided in the accounts	<u>-</u>	<u>245,896</u>

29 Related party transactions

During the year the company leased a property, on an arm's length basis from Broadland Properties Limited, for £20,000 (2016: £20,000). 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 also received an interest free loan repayable on demand of £105,306 and a restricted donation of £116,134 from Broadland Properties Limited towards the replacement of the astro pitch.

Two governors had children enrolled in the College during the year with fees payable at normal published rates totalling £36,121.

30 Controlling party

The Group is under the control of the board of governors who are also the trustees of the charity and directors of the group.

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31 Pension schemes

Scarborough College Limited, together with many other independent schools, operates two contributory pension 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 the three schemes during the year were based on the following percentages of salary:-

	Employer	Employee	Total
Teachers' Pension Scheme	16.5%	7.4% - 11.7%	23.9% - 28.2%
Independent Schools' Pension Scheme	19.3%	8.0%	27.3%
People's Pension	1.0%	1.0%	2.0%

Both defined benefits 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.

Outstanding amounts payable to the schemes at the year end were £41,034 (2016 - £37,584).

Teachers' Pension Scheme

The Teachers' Pension Scheme is a statutory, unfunded defined benefit scheme. The scheme is an unfunded scheme and members contribute on a pay as you go basis, which are credited to the exchequer under arrangements governed by the Superannuation Act 1972. The regulations require an annual account to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

The latest actuarial review of the scheme was carried out as at 31 March 2012 and the valuation report was published on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employer's pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the Teachers' Pension Scheme were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

- Scheme changes were implemented from 1 April 2015. The key provisions of the reformed scheme include:
- A pension based on career average earnings
- An accrual rate of 1/57th
- Normal pension age equal to State Pension Age but with options for earlier/later retirement Pension benefits built up before 1 April 2015 fully protected.
- If within 10 years of Normal Pension Age on 1 April 2012, no change to the age of retirement and no decrease in the pension receivable
- Transitional protection, tapered over a three and a half year period, if they fall up to three and a half years outside the 10 year protection.

Short term savings were also required with an average increase of 3.2 percentage points on the member contribution rates by 2014-15. The increase has been phased in since April 2012. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits accrued on a career average basis and there is a normal pension age aligned to the state pension age.

Independent Schools' Pension Scheme

The College participates in the scheme, a multi-employer scheme which 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 at 30 September 2011. This valuation showed assets of £119.4m, liabilities of £161.2m and a deficit of £41.8m.

A further full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and 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:

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33 Pension schemes (continued)

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.

	31 August 2017 (£'000s)	31 August 2016 (£'000s)	31 August 2015 (£'000s)
Present value of provision	489	526	348
Reconciliation of opening and closing provisions			
	2017 £ (£'000s)		2016 £ (£'000s)
Provision as at 1 September	526		348
Unwinding of the discount factor (interest expense)	7		9
Deficit contribution paid	(37)		(36)
Remeasurement - impact of any change in assumptions	(7)		41
Remeasurement - amendments to the contribution scheme	-		164
Provision as at 31 August	489		526
Income and expenditure impact			
	2017 £ (£'000s)		2016 £ (£'000s)
Interest expense	7		9
Remeasurement - impact of any change in assumptions	(7)		41
Remeasurement - amendments to the contribution schedule	-		164
Contributions paid in respect of future service	37		36
Costs recognised in income and expenditure account	4		4

Assumptions

	31 August 2017 % per annum	31 August 2016 % per annum	31 August 2015 % per annum
Rate of discount	1.56	1.34	2.61

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.