

THE LADIES' COLLEGE, GUERNSEY

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

31 AUGUST 2020

THE LADIES' COLLEGE, GUERNSEY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

CONTENTS	Pages
Information	2
Report of the Board of Governors	3 - 4
Independent Auditor's Report	5 - 6
Statement of Income and Retained Funds	7
Balance Sheet	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 18

THE LADIES' COLLEGE, GUERNSEY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

INFORMATION

MEMBERS OF THE BOARD OF GOVERNORS

Advocate Caroline Chan

Mr Brian Acton

Mr Peter Miller

Ms Cathy Perkins

Dr Mary Short

Deputy Heidi Soulsby

Mrs Catharine Walter

ADDRESS

The Ladies' College

Les Gravees

St Peter Port

Guernsey

GY1 1RW

INDEPENDENT AUDITOR

BDO Limited

P O Box 180

Place du Pre

Rue du Pre

St Peter Port

Guernsey

GY1 3LL

THE LADIES' COLLEGE, GUERNSEY

REPORT OF THE BOARD OF GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2020

The Board of Governors submit their report and the audited financial statements of The Ladies' College, Guernsey (the "College") for the year ended 31 August 2020.

BOARD OF GOVERNORS' RESPONSIBILITIES STATEMENT

The Board of Governors (the "Board") is responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period and are in accordance with applicable laws. The Board have elected to prepared the financial statements in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. In preparing those financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operations.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and which enable them to ensure that the financial statements have been properly prepared in accordance with applicable law. It is also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

PRINCIPAL ACTIVITY

The Ladies' College, founded in 1872, is a girls' day school located in St Peter Port in Guernsey. The College includes the Senior School and Sixth Form which are reported on in these financial statements. The Ladies' College, Melrose and the Pre-Preparatory Department are reported in separate financial statements as The Ladies' College - Melrose.

The principal activity of the College is the provision of education.

RESULTS

The results of the College for the year are set out in detail on page 7.

THE LADIES' COLLEGE, GUERNSEY

REPORT OF THE BOARD OF GOVERNORS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

GOING CONCERN - COVID 19

As a result of the novel coronavirus pandemic (COVID-19) declared in March 2020, there has been a negative impact on the College's results due to the lockdown imposed by the States of Guernsey. The Board is satisfied that the College will continue to meet its liabilities as they fall due and have adopted a going concern basis of preparation in the financial statements for the reasons set out in note 3 to the financial statements.

BOARD OF GOVERNORS

The Board of Governors of the College who served during the year and to date were:-

- Advocate Caroline Chan
- Mr Brian Acton
- Mr Peter Miller
- Ms Cathy Perkins
- Dr Mary Short
- Deputy Heidi Soulsby
- Mrs Catharine Walter

INDEPENDENT AUDITOR

BDO Limited have expressed their willingness to continue in office.

APPROVED BY THE BOARD OF GOVERNORS

Caroline Chan
.....
Advocate Caroline Chan
Chair

Peter Miller
.....
Mr Peter Miller
Governor

Date: 8 December 2020

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF THE LADIES' COLLEGE

Opinion

We have audited the non-statutory financial statements of The Ladies' College, Guernsey (the "College") for the year ended 31 August 2020 which comprise the Statement of Income and Retained Funds, the Balance Sheet, the Statement of Cash Flows 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 including the 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 College's affairs as at 31 August 2020 and of its surplus for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 College in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College'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 Board of Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF THE LADIES' COLLEGE (CONTINUED)

Responsibilities of the Board of Governors

As explained more fully in the Board of Governors' Responsibilities Statement, the Board of 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 Board of 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 Board of Governors are responsible for assessing the College'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 Board of Governors either intend to liquidate the College 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 at the FRC's website at: <https://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 College's Board of Governors, as a body in terms of our engagement letter dated 4 October 2018. Our audit work has been undertaken so that we might state to the College's Board of Governors 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 College and the College's Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

BDO Limited
Chartered Accountants
Place du Pré
Rue du Pré
St Peter Port
Guernsey

Date: 8 December 2020

THE LADIES' COLLEGE, GUERNSEY

STATEMENT OF INCOME AND RETAINED FUNDS

FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020	2019
		£	£
Income	2(a)		
States grant		251,548	127,916
Fees receivable		4,284,247	4,389,005
Student registration fees		4,700	6,152
Miscellaneous income		38,047	33,855
		<hr/>	<hr/>
		4,578,542	4,556,928
Expenditure			
School expenditure	2(b)	(4,457,431)	(4,259,525)
		<hr/>	<hr/>
Operating surplus		121,111	297,403
Fundraising and other donations received	2(c)	36,896	93,390
Bank interest received		1,811	3,173
Interest payable	2(d)	(54,520)	(60,877)
		<hr/>	<hr/>
Surplus for the year		105,298	333,089
Retained funds at 1 September		4,376,177	4,043,088
		<hr/>	<hr/>
Retained funds at 31 August		4,481,475	4,376,177
		<hr/>	<hr/>

There were no recognised gains or losses other than the surplus for the year.

All amounts relate to continuing activities.

The notes on pages 10 to 18 form an integral part of these financial statements.

THE LADIES' COLLEGE, GUERNSEY

BALANCE SHEET

AS AT 31 AUGUST 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible assets	4	6,794,026	6,638,882
Current assets			
Stock		2,891	2,551
Fee debtors		48,946	24,844
Other debtors and prepayments	5	142,010	180,275
Cash at bank and in hand	6	812,083	1,041,964
		<hr/>	<hr/>
		1,005,930	1,249,634
Creditors - amounts falling due within one year	7	(950,514)	(983,417)
		<hr/>	<hr/>
Net current assets		55,416	266,217
		<hr/>	<hr/>
Total assets less current liabilities		6,849,442	6,905,099
Creditors - amounts falling due after more than one year	8	(2,367,967)	(2,528,922)
		<hr/>	<hr/>
Net assets		4,481,475	4,376,177
		<hr/>	<hr/>
Capital and reserves			
Retained funds		4,481,475	4,376,177
		<hr/>	<hr/>

Approved by the Board of Governors and authorised for issue on their behalf by:

Caroline Chan

.....
Advocate Caroline Chan

Chair

Date: 8 December 2020

The notes on pages 10 to 18 form an integral part of these financial statements.

THE LADIES' COLLEGE, GUERNSEY

STATEMENT OF CASH FLOWS

AS AT 31 AUGUST 2020

	Note	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Surplus for the financial year		105,298		333,089	
Adjustments for:					
Depreciation	4	294,813		260,003	
Loss on disposal of fixed asset		-		1,229	
Interest receivable		(1,811)		(3,173)	
Interest payable		54,520		60,877	
Increase in stock		(340)		(2,551)	
Decrease/(increase) in operating debtors		14,163		(138,877)	
Decrease in operating creditors		(35,594)		(59,393)	
Cash from operations		431,049		451,204	
Interest received		1,811		3,173	
Net cash generated from operations			432,860	454,377	
Cash flows from investing activities					
Tangible assets purchased	4	(449,957)		(121,853)	
Net cash used in investing activities			(449,957)	(121,853)	
Cash flows from financing activities					
Repayment of bank loan		(135,712)		(123,823)	
Interest paid on bank loan		(48,789)		(59,177)	
Decrease in account with Melrose		-		(250,000)	
Finance lease payments		(28,283)		(11,324)	
Net cash outflow from financing activities			(212,784)	(444,324)	
Net (decrease) / increase in cash and cash equivalents			(229,881)	(111,800)	
Cash and cash equivalents at the beginning of the year	6		1,041,964	1,153,764	
Cash and cash equivalents at the end of the year	6		812,083	1,041,964	

The notes on pages 10 to 18 form an integral part of these financial statements.

THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. GENERAL INFORMATION

The College is established under The Ladies' College (Guernsey) Law, 1962 as amended. The registered address is set out on the information page and the principal activity of the College is the provision of education.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as elected by the Board of Governors (the "Board").

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying accounting policies (see note 3).

The following principal accounting policies have been consistently applied:

(a) GOING CONCERN

As a result of the novel coronavirus pandemic (COVID-19) declared in March 2020, there has been a negative impact on the College's results due to the lockdown imposed by the States of Guernsey. The Board is satisfied that the College will continue to meet its liabilities as they fall due and have adopted a going concern basis of preparation in the financial statements for the reasons set out in note 3 to the financial statements.

(b) INCOME RECOGNITION

Fee income is recognised as receivable on the first day of each term for which pupils are enrolled since it is non-refundable. Fee income received in advance of the term is deferred and released on the first day of the applicable term.

The States' Block Grant relating to the General (Non Special Place Holder) Grant is recognised termly on receipt. Under a States Resolution of 28 September 2017, grant aid has been agreed for a further 7 year period from 1 September 2019.

Student registration fees and miscellaneous income are recognised on receipt. All other operating income is recognised on an accruals basis.

(c) SCHOOL EXPENDITURE RECOGNITION

School supplies and equipment including books and teaching materials are recognised in relation to the academic year in which they are to be used as designated by the school budget agreed by the Governors. All other expenses are recognised in the period to which they relate.

**THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2020

2. ACCOUNTING POLICIES (continued)

(d) FUNDRAISING AND OTHER DONATIONS RECEIVED

'Gift for learning' donations receivable for the phase three development of the College premises are recognised on a cash receipts basis. All other donations are recognised when entitlement to the funds is certain.

(e) INTEREST PAYABLE

Interest payable is charged to the Statement of Income and Retained Funds over the term of the debt using the effective interest method so that the amount is at a constant rate on the carrying amount.

(f) TAXATION

The College is registered under the Charities and Non-Profit Organisations (Registration) (Guernsey) Law, 2008 and has therefore been granted exempt status under Section 40(k) of the Income Tax (Guernsey) Law, 1975. The College's income is therefore not subject to taxation.

(g) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at historical cost, net of depreciation and any provision for impairment. Assets with a cost of £1,000 or more are capitalised as tangible assets and this level is periodically reviewed by the Board, together with a review of the need for any impairment reviews. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date management assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised in the Statement of Income and Retained Funds where the carrying amount exceeds the recoverable amount.

Freehold land is not depreciated. Depreciation is charged on leasehold property over the expected lease term of 50 years (see notes 3, 10 and 11). Depreciation on other tangible fixed assets is calculated to write down their cost to their estimated residual values over the period of their estimated useful economic lives, at the following annual rates: -

Leasehold improvements	- 10% straight line
Fixtures, fittings, and equipment	- between 10% and 33⅓% straight line
Computer equipment	- 33⅓% straight line
Assets held under lease	- 33⅓% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Asset under construction will be depreciated once they have been brought into use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'School expenditure' in the Statement of Income and Retained Funds.

(h) FINANCIAL INSTRUMENTS

**THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2020

2. ACCOUNTING POLICIES (continued)

(h) FINANCIAL INSTRUMENTS (continued)

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Funds.

Short term debtors and creditors are measured at the transaction price.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(i) CASH AT BANK AND IN HAND

Cash at bank and in hand is represented by cash, current bank accounts and deposits with financial institutions repayable without penalty on notice of more than three months and have insignificant risk of change in value.

(j) FINANCIAL LIABILITIES

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Obligations for loans and borrowings are recognised when the College becomes party to the related contracts and are initially measured at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

(k) PENSION COSTS

The College operates a defined benefit multi-employer pension scheme and superannuation contributions are charged to the Statement of Income and Retained Funds when they fall due. Once the contributions have been paid the College has no further payment obligations.

(l) RETAINED FUNDS

Retained funds represent cumulative surpluses and deficits net of any adjustments.

(m) PRIZE FUNDS AND BEQUESTS

Prize funds and other charitable bequests are not included in these financial statements as they do not constitute part of the day-to-day activities of the College.

THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

3. SIGNIFICANT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Board of Governors have made the following significant judgements in the preparation of these financial statements:

Tangible fixed assets (note 4)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual useful lives of the assets and residual values are reviewed annually and may vary on a number of factors. The leasehold property is depreciated over 50 years since, in the judgement of the Board of Governors, the requirements will be met to allow the Board to exercise the option to extend the current lease from 25 years to 50 years (see also notes 10 and 11). The Board have therefore also recognised the financial commitment of the lease over that period (see note 11).

Going concern

As a result of the novel coronavirus pandemic (COVID-19) declared in March 2020, there has been a negative impact on the College's results due to the lockdown imposed by the States of Guernsey. The Board of Governors have produced the financial statements on a going concern basis as a result of the following:

- (i) A plan has been put in place to ensure that the College will be in a position to remain operational should any further lockdowns be required;
- (ii) A review of the budget and cashflows for the next 15 months demonstrates that the College will be in a position to continue to operate as planned; and
- (iii) The banking and loan arrangements currently in place will enable the College to continue to meet its anticipated cashflow requirements and its liabilities as they fall due.

4. TANGIBLE ASSETS

In 2015 the College entered into an agreement with the Treasury and Resources department of the States of Guernsey for a lease of the land and buildings used by the College. The lease runs through to 31 December 2039 with an option to extend to 31 December 2065.

Included within the leasehold property are capitalised interest and finance costs amounting to £33,000 (2019: £33,000).

The College is party to a finance lease agreement for office equipment comprising of multi function devices and printers. Capital and interest payments are payable quarterly over a 3 year period. Total interest of £10,506 will be paid over the term of the lease.

Assets under construction primarily relate to the refurbishment of an existing building to create a Food Technology facility and are expected to be brought into use during the year to 31 August 2021.

THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

4. TANGIBLE ASSETS (continued)

	Freehold land £	Leasehold property £	Leasehold improvements £	Fixtures fitting and equipment £	Computer equipment £	Assets held under lease £	Assets under construction £	<u>Total</u> £
COST								
At 1 September 2019	1	6,340,510	66,496	576,530	224,553	73,224	-	7,281,314
Additions	-	-	-	94,965	55,216	-	299,776	449,957
At 31 August 2020	1	6,340,510	66,496	671,495	279,769	73,224	299,776	7,731,271
DEPRECIATION								
At 1 September 2019	-	380,337	6,411	133,156	118,461	4,067	-	642,432
Charge for the year	-	126,810	6,650	63,038	73,909	24,406	-	294,813
At 31 August 2020	-	507,147	13,061	196,194	192,370	28,473	-	937,245
NET BOOK VALUE								
At 31 August 2020	1	5,833,363	53,435	475,301	87,399	44,751	299,776	6,794,026
At 31 August 2019	1	5,960,173	60,085	443,374	106,092	69,157	-	6,638,882

**THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2020

5. OTHER DEBTORS AND PREPAYMENTS

	2020	2019
	£	£
Prepayments	121,136	148,710
Other debtors	20,874	31,565
	<hr/>	<hr/>
	142,010	180,275
	<hr/>	<hr/>

6. CASH AT BANK AND IN HAND

	2020	2019
	£	£
Cash in hand	506	1,171
Operating cash	593,706	850,395
	<hr/>	<hr/>
	594,212	851,566
Gift for Learning	217,871	190,398
	<hr/>	<hr/>
	812,083	1,041,964
	<hr/>	<hr/>

The Gift for Learning funds relate to donations received for the phase three development of the College premises.

7. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
School and administrative expenses	462,897	408,530
Fees for autumn term received in advance	277,873	367,834
Bank loan (see note 8)	184,500	184,500
Net capital obligations under finance leases	25,244	22,553
	<hr/>	<hr/>
	950,514	983,417
	<hr/>	<hr/>

THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

8. CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

	2020	2019
	£	£
Bank loan	2,347,612	2,483,324
Net capital obligations under finance leases	20,355	45,598
	<hr/>	<hr/>
	2,367,967	2,528,922
	<hr/>	<hr/>

The maturity of the bank loan is as follows:

	2020	2019
	£	£
Repayable in instalments:		
Within 1 year	184,500	184,500
Later than 1 year and not later than 5 years	738,000	738,000
Later than 5 years	1,609,612	1,745,324
	<hr/>	<hr/>
	2,532,112	2,667,824
	<hr/>	<hr/>

The bank loan with the Royal Bank of Scotland International Limited (trading as NatWest) (the “Bank”) was obtained to assist with the construction of Phase 3 including the Wessex Wing. The loan of £3 million is repayable over 20 years from January 2017 and interest is payable at 1.45% above the Bank of England Base Rate. The States of Guernsey has undertaken to assume The Ladies’ College’s obligations to the Bank under the loan agreement should there be an event of default under that loan agreement.

9. PENSION COSTS

A majority of the employees of the College are members of the States of Guernsey Superannuation Scheme (“the Scheme”). This is a defined benefit pension scheme, funded by contributions from both employer and employee, at rates which are determined on the basis of actuarial advice and which are calculated to spread the expected cost of benefits to employees over the period of those employees’ expected working lives.

The Scheme is a multi-employer scheme and the level of contributions made to the scheme by each employer will be affected by actuarial risks relating to the employees of other employers. It is not possible for the underlying pension assets and liabilities within the Scheme relating to the employees of the College to be determined on a reasonable and consistent basis, as required by FRS 102. In addition, the Board of Governors considers that the additional costs which would be incurred were it possible to do so, in providing such information considerably outweigh any benefit to the proposed users of these financial statements.

THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

9. PENSION COSTS (continued)

The last actuarial valuation of the Scheme was conducted at 31 December 2016. At that date the actuarial value of the assets relating to the "Combined pool" within the overall Scheme, to which the College's staff belong, represented 93.5% of the actuarial valuation of the liabilities relating to that group. The rate of employer's contribution remained at 14.1% in respect of all staff after the valuation. The scheduled review for 2019 has been deferred for a year due to the novel coronavirus pandemic (COVID-19).

The total amount of superannuation contributions payable by the College to the Scheme for the year ended 31 August 2020 was £413,415 (2019: £399,175). At 31 August 2020 the amount of outstanding contributions not paid over to the Scheme was £104,672 (2019: £100,239).

Further details relating to the funding of the superannuation scheme are provided in the Superannuation Fund section of the accounts of the States of Guernsey.

10. CAPITAL COMMITMENT

In 2015 the College entered into an agreement with the Treasury and Resources department of the States of Guernsey for a lease of the land and buildings used by the College. Under the terms of the lease the College is required to invest an aggregate of not less than £10,000,000 on the property at Ladies College by 31 December 2035. The amount is subject to increase in line with the Guernsey retail price index and does not include finance costs. As at 31 August 2020 a total amount of £6,750,373 has been invested (2019: £6,750,373).

11. FINANCIAL COMMITMENT

The College has entered into a lease over the land and buildings occupied by the College. The lease runs to 31 December 2039 with an option to extend to 31 December 2065 provided that capital has been invested as outlined in note 10.

The total future minimum rentals payable under the leases:

	2020	2019
	£	£
Within 1 year	28,538	29,220
Later than 1 year and not later than 5 years	22,229	50,513
Later than 5 years	10,160	10,414
	<hr/>	<hr/>
	60,927	90,147
	<hr/>	<hr/>

THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

12. NET DEBT RECONCILIATION

	1 September 2019	Cash flows	31 August 2020
	£	£	£
Cash at bank and in hand	1,041,964	(229,881)	812,083
Obligations under finance leases	(68,151)	22,552	(45,599)
Bank loan	(2,667,824)	135,712	(2,532,112)
	<hr/>	<hr/>	<hr/>
Net debt	(1,694,011)	(71,617)	(1,765,628)
	<hr/>	<hr/>	<hr/>

There are no formal restrictions over the use of the cash at bank and in hand which comprise cash at bank and in hand together with the Gift for Learning cash balance as detailed in note 6.

13. CONTROLLING PARTY

Throughout the year the College was under the control of the Board of Governors acting in concert. In the opinion of the Board of Governors there is no controlling party as defined by FRS 102 as no party has the ability to direct the financial and operating policies of the College with a view to gaining economic benefit from their direction.

14. RELATED PARTY TRANSACTIONS

Key management personnel includes all Governors and a number of senior managers across the College who, together, have authority and responsibility for planning, directing and controlling the activities of the College. The Governors are unpaid. The total compensation paid to key management personnel for services provided to the College was £523,105 (2019: £513,021).

During the year the College received £1,020 (2019: £1,020) in the form of donations from members of the Board of Governors and their close family members. These amounts have been disclosed within fundraising donations received in the Statement of Income and Retained Funds.