

THE LADIES' COLLEGE, GUERNSEY

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

31 AUGUST 2021

THE LADIES' COLLEGE, GUERNSEY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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THE LADIES' COLLEGE, GUERNSEY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

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 2021.

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 prepare 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 8.

THE LADIES' COLLEGE, GUERNSEY

REPORT OF THE BOARD OF GOVERNORS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

GOING CONCERN

The Board has reviewed the budget and cashflows for the period to 28 February 2023 and continues to monitor the impact on the College of the the novel coronavirus pandemic (COVID-19) which was declared in March 2020.

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.

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

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Advocate Caroline Chan
Chair

Peter Miller

.....

Mr Peter Miller
Governor

Date: 17 December 2021

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

Opinion on the financial statements

In our opinion, the financial statements of The Ladies College, Guernsey (the “College”):

- give a true and fair view of the state of the College’s affairs as at 31 August 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of The Ladies’ College (Guernsey) Law, 1962.

We have audited the financial statements of the College for the year ended 31 August 2021 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 FRS 102, ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (“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 that are relevant to our audit of financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Governors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Governors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

Other information (continued)

We have nothing to report in this regard.

Responsibilities of the Board of Governors

As explained more fully in the Board of Governors' Responsibilities Statement, the Board of Governors is 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 determines 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 is 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 intends to liquidate the College or to cease operations, or has 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.

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the College.
- We determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those relating to The Ladies' College (Guernsey) Law, 1962 and FRS 102.
- We understood how the College is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for compliance. We corroborated our enquiries through our review of Board minutes and other management reports.
- We assessed the susceptibility of the College's financial statements to material misstatement, including how fraud might occur, by meeting with individuals from various parts of the College to understand where it is considered there was a susceptibility of fraud. We considered the controls that the College has established to address risks identified, or that otherwise prevent, deter, and detect fraud, and how management monitors those controls.
- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free of fraud or error.

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

Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available at the Financial Reporting Council'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 accordance with our letter of engagement dated 1 October 2021. 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'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: 17 December 2021

THE LADIES' COLLEGE, GUERNSEY**STATEMENT OF INCOME AND RETAINED FUNDS****FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Income	2(b)		
States grant		354,125	251,548
Fees receivable		4,530,457	4,284,247
Other income		155,023	146,046
		<hr/> 5,039,605	<hr/> 4,681,841
Expenditure			
School expenditure	2(c)	(4,812,146)	(4,560,730)
		<hr/>	<hr/>
Operating surplus		227,459	121,111
Fundraising and other donations received	2(d)	21,951	36,896
Bank interest received		304	1,811
Interest payable	2(e)	(40,710)	(54,520)
		<hr/>	<hr/>
Surplus for the year		209,004	105,298
Retained funds at 1 September		4,481,475	4,376,177
		<hr/>	<hr/>
Retained funds at 31 August		4,690,479	4,481,475
		<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 11 to 19 form an integral part of these financial statements.

THE LADIES' COLLEGE, GUERNSEY

BALANCE SHEET

AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	7,030,474	6,794,026
Current assets			
Stock		5,097	2,891
Fee debtors		36,681	48,946
Other debtors and prepayments	5	76,326	142,010
Cash at bank and in hand	6	804,612	812,083
		<hr/>	<hr/>
		922,716	1,005,930
Creditors - amounts falling due within one year	7	(1,061,929)	(950,514)
		<hr/>	<hr/>
Net current (liabilities)/assets		(139,213)	55,416
		<hr/>	<hr/>
Total assets less current liabilities		6,891,261	6,849,442
Creditors - amounts falling due after more than one year	8	(2,200,782)	(2,367,967)
		<hr/>	<hr/>
Net assets		4,690,479	4,481,475
		<hr/>	<hr/>
Capital and reserves			
Retained funds		4,690,479	4,481,475
		<hr/>	<hr/>

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

Caroline Chan

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Advocate Caroline Chan

Chair

Date: 17 December 2021

The notes on pages 11 to 19 form an integral part of these financial statements.

THE LADIES' COLLEGE, GUERNSEY

STATEMENT OF CASH FLOWS

AS AT 31 AUGUST 2021

	Note	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Surplus for the financial year		209,004		105,298	
Adjustments for:					
Depreciation	4	313,382		294,813	
Interest receivable		(304)		(1,811)	
Interest payable		40,710		54,520	
Increase in stock		(2,206)		(340)	
Increase in operating debtors		77,949		14,163	
Decrease in operating creditors		(20,222)		(35,594)	
Cash from operations		<u>618,313</u>		<u>431,049</u>	
Interest received		304		1,811	
Net cash generated from operations			<u>618,617</u>		<u>432,860</u>
Cash flows from investing activities					
Tangible assets purchased	4/7	(413,304)		(449,957)	
Net cash used in investing activities			<u>(413,304)</u>		<u>(449,957)</u>
Cash flows from financing activities					
Repayment of bank loan		(146,830)		(135,712)	
Interest paid on bank loan		(37,669)		(48,789)	
Finance lease payments		<u>(28,285)</u>		<u>(28,283)</u>	
Net cash outflow from financing activities			<u>(212,784)</u>		<u>(212,784)</u>
Net (decrease) / increase in cash and cash equivalents			<u>(7,471)</u>		<u>(229,881)</u>
Cash and cash equivalents at the beginning of the year	6		812,083		1,041,964
Cash and cash equivalents at the end of the year	6		<u>804,612</u>		<u>812,083</u>

The notes on pages 11 to 19 form an integral part of these financial statements.

THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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).

Prior year figures for catering income and expenses have been amended to reflect the current year presentation.

The following principal accounting policies have been consistently applied:

(a) GOING CONCERN

The Board has reviewed the budget and cashflows for the period to 28 February 2023 and continues to monitor the impact on the College of the novel coronavirus pandemic (COVID-19) which was declared in March 2020.

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.

(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 2021

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. Eligible expenditures 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) and the freehold property brought into use during the year has been depreciated over the remaining term of the lease. 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.

THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (continued)

(h) FINANCIAL INSTRUMENTS

The College only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities including debtors, cash at bank and bank loan.

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 2021

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 depending 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).

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 (2020: £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.

Freehold property relates to The Ellershaw Centre which is situated on the Freehold land owned by the College and was completed in January 2021. The building contains a food technology teaching facility and a photographic dark room.

Assets under construction primarily relate to the refurbishment of a science laboratory and improvements to the Sixth form centre.

THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

4. TANGIBLE ASSETS (continued)

	Freehold <u>land</u> £	Freehold <u>property</u> £	Leasehold <u>property</u> £	Fixtures fitting <u>and equipment</u> £	Computer <u>equipment</u> £	Assets held <u>under lease</u> £	Assets under <u>construction</u> £	<u>Total</u> £
COST								
At 1 September 2020	1		6,407,006	671,495	279,769	73,224	299,776	7,731,271
Additions	-	234,420	-	5,812	86,582	-	223,016	549,830
Disposals	-	-	-	-	(13,308)	-	-	(13,308)
Transfer	-	275,068	-	24,708	-	-	(299,776)	-
At 31 August 2021	1	509,488	6,407,006	702,015	353,043	73,224	223,016	8,267,793
DEPRECIATION								
At 1 September 2020	-	-	520,208	196,194	192,370	28,473	-	937,245
Charge for the year	-	7,710	133,460	69,250	78,557	24,405	-	313,382
Disposals					(13,308)	-		(13,308)
At 31 August 2021	-	7,710	653,668	265,444	257,619	52,878	-	1,237,319
NET BOOK VALUE								
At 31 August 2021	1	501,778	5,753,338	436,571	95,424	20,346	223,016	7,030,474
At 31 August 2020	1	-	5,886,798	475,301	87,399	44,751	299,776	6,794,026

THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

5. OTHER DEBTORS AND PREPAYMENTS

	2021	2020
	£	£
Prepayments	55,161	121,136
Other debtors	21,165	20,874
	<hr/>	<hr/>
	76,326	142,010
	<hr/>	<hr/>

6. CASH AT BANK AND IN HAND

	2021	2020
	£	£
Cash in hand	458	506
Operating cash	564,243	593,706
	<hr/>	<hr/>
	564,701	594,212
	<hr/>	<hr/>
Gift for Learning	239,911	217,871
	<hr/>	<hr/>
	804,612	812,083
	<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

	2021	2020
	£	£
School and administrative expenses	329,297	462,897
Fees for autumn term received in advance	391,251	277,873
Bank loan (see note 8)	184,500	184,500
Net capital obligations under finance leases	20,355	25,244
Amounts due for assets under construction	136,526	-
	<hr/>	<hr/>
	1,061,929	950,514
	<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

	2021	2020
	£	£
Bank loan	2,200,782	2,347,612
Net capital obligations under finance leases	-	20,355
	<hr/>	<hr/>
	2,200,782	2,367,967
	<hr/>	<hr/>

The maturity of the bank loan is as follows:

	2021	2020
	£	£
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	1,462,782	1,609,612
	<hr/>	<hr/>
	2,385,282	2,532,112
	<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 2021

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 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 2021 was £430,462 (2020: £413,415). At 31 August 2021 the amount of outstanding contributions not paid over to the Scheme was £105,058 (2020: £104,672).

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 leasehold property at The 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 2021 a total amount of £6,750,373 has been invested (2020: £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 College is also party to a finance lease relating to the purchase of office equipment as detailed in note 4.

The total future minimum rentals payable under the leases:

	2021	2020
	£	£
Within 1 year	21,486	28,538
Later than 1 year and not later than 5 years	1,092	22,229
Later than 5 years	3,640	3,913
	<hr/>	<hr/>
	26,218	54,680
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THE LADIES' COLLEGE, GUERNSEY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

12. NET DEBT RECONCILIATION

	1 September 2020	Cash flows	31 August 2021
	£	£	£
Cash at bank and in hand	812,083	(7,471)	804,612
Obligations under finance leases	(45,599)	25,244	(20,355)
Bank loan	(2,532,112)	146,830	(2,385,282)
	<hr/>	<hr/>	<hr/>
Net debt	(1,765,628)	164,603	(1,601,025)
	<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 £533,546 (2020: £523,105).

During the year the College received £1,020 (2020: £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.