

Higham Hall College

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

31 December 2022

Company registration number: 6421365

Charity registration number: 1124959



Higham Hall College

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Higham Hall College
Reference and Administrative Details

Charity name	Higham Hall College
Charity registration number	1124959
Company registration number	6421365
Principal office	Higham Hall Bassenthwaite Lake COCKERMOUTH CA13 9SH
Registered office	Higham Hall Bassenthwaite Lake COCKERMOUTH CA13 9SH
Trustees	P J Brown, Chair H J Scott M Walker P M Oates S Clarke G Mcqueen L J Birch W Dufton G Reed
Secretary	G J Cooke
Bankers	HSBC 3 Pow Street WORKINGTON CA14 3AH
Accountant	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW

Higham Hall College

Trustees' Report for the Year Ended 31 December 2022

The trustees have the pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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.

Governance

Higham Hall College is a charitable company limited by guarantee and its governing document is its memorandum and articles of association.

The procedure for appointing new trustees is set out in the charity's articles of association. They provide that appointment can be made at a general meeting or by ordinary resolution. The number of directors cannot be less than three but is not subject to any maximum.

Training is included in the board meetings structure where trustees consider their roles, following charity commission guidelines, and receive guidance from our accountant, Dodd and Co Limited.

The trustees are also directors of the company. They meet every quarter to receive a report from the principal and make decisions based on consensus. Expenditure below £6,000 is delegated to the principal with cheques up to that value requiring 2 staff signatures. Single item expenditure above that value requires board approval and the signature of the chairman or his deputy.

Higham Hall College has one wholly owned subsidiary: Higham Learning Limited. Higham Learning Limited provides conference and similar facilities at Higham Hall, and contributes to any shared costs in order to help support the charity. Higham Learning Limited also aims to pass any surplus made back to Higham Hall College, by way of gift aid or similar provision.

The directors have reviewed the major risks to which the charity is exposed and systems or procedures have been put in place to manage those risks.

Objectives and activities

The charity's objects are:

"The advancement of education of the public in such a manner as may be charitable and in particular, but not to limit the generality of the foregoing, the provision of adult education, including for adults with disabilities, deafness or who are hard of hearing."

The aim of Higham is to provide short residential courses for adults of all ages and in general the advancement of education for the benefit of the public, including people with a disability. The following Public Benefit Statement has been agreed by the Trustees.

Public benefit statement

The objective of the college is the advancement and provision of adult education.

The activities consist of short residential courses and single day events.

The intended outcome is an improvement in the quality of participants lives achieved through:

- Personal educational achievement
- Access to educational opportunities that are not otherwise available
- Employment and new career opportunities
- Improvement in knowledge and skills leading to employment and/or increased confidence in a chosen field of activity.

Higham Hall College
Trustees' Report for the Year Ended 31 December 2022

The college also provides wider public benefit through:

- Opportunities for disadvantaged people
- Public access to an historic building
- A significant contribution to the cultural life of the county
- A contribution to the local economy
- Support for other local charities and organisations

Examples of the College's activities include:

- Residential courses throughout the year in Art, Art Appreciation, Pastimes, Bridge, Crafts, Textiles, Wood, Health, History, Archaeology, Literature, Philosophy, Music, the Arts, Nature, the Sciences, Photo, Languages, Field Trips and Summer Schools
- Day events covering a similar range of activities and also including art history talks, art demonstrations, concerts and performances
- Concessionary rates for people on low income
- Bursaries for first timers on low income
- Support for disabled people through specialised accommodation, discounted or free places for support staff or relatives and additional staff help
- Support for local organisations which includes: events for the local parish, free use of space during the day by local groups. These now include activities such as art, knitting and 'man-trailing' (dog training).
- Discounted letting rates for other registered charities
- Support for young people (18 – 25) through concessionary course fees
- Support for young people (15 – 18) through work experience placements in partnership with local schools
- Support for young people (15 – 18) through assistantships, in co-operation with tutors, to enable them to experience affordable course activity which might benefit their choices of formal and informal study. Examples where young people have been able to join courses so far include Enamelling and Musicianship courses.

Achievements and performance

At the start of the year we had noted that most of the reasons for financial pressures at the time "are well-publicised and will continue to haunt us for the next couple of years at least. Our response is to take things steadily, to factor in some price rises and to seek to maintain a level of activity across the board." Interestingly, this was a sensible approach, particularly in the light of unexpected issues that came up during 2022 in the form of global conflict, supply issues and domestic governmental instability.

We noted that many people had left money with us as credit when their courses were cancelled for 2020/21. Therefore, we already had some course fees left in credit. As 2022 progressed, many people returned and fresh money, in the form of deposits and balances, was once again coming in. We were able to reschedule some of the courses that had been postponed due to Covid-19. Our aim was to ensure we made as much use of the space as possible, since we knew 2022 was to be a recovery year. We were able to use our Waiting Lists to look for possible extra course possibilities to slip in for popular Tutors. We also tried to use extra space for 'No Tutor' courses for artists and textilers, and even small music ensembles.

As the year continued, even though we were able to have a relatively unbroken run of delivery, various individual Tutors and Students, and Staff for that matter, continued to be affected by Covid. However, because this was affecting everybody, there was good understanding amongst those inconvenienced by sudden changes. We noted at the end of Q1 2022 that only 30% of Staff had been infected by Covid-19, with the national figure being 70%. We put this down to our prolonged implementation of restrictions and our continued alertness to risks. Of course, this also meant that there was a possibility of natural immunity amongst Staff might be lower, so we kept some measures longer than other places of work may have done.

Higham Hall College

Trustees' Report for the Year Ended 31 December 2022

We continued to proceed with phased changes to the premises to help accessibility. Delays due initially to Covid continued due to having to fit things around our ongoing activities. These are still on-going into 2023, but have meant that the cost has been able to be spread out in phases. The initial fund of money for the project had been swallowed up by our 8 months of closure in 2020 during the pandemic). By the end of 2022 we now had a sluice room for camper vans and have made the Studio accessible to wheelchairs, as well as various upgrades to bedrooms across the site. We also redecorated the Drawing Room and Bar and have made more relaxing seating available to increase the social rest spaces for guests. We relocated decorative glass light fittings from the Drawing and Lecture Rooms to corridors and small iron chandeliers went into the front bedrooms. We feel the new locations of these fittings is far better suited to their character and function.

Volunteer help continues to assist us in keeping things looking good, with the (constantly-used) dining room tables having been given some effective care to restore their top surfaces (which ironically had been ravaged more by intensive cleaning regimes during the pandemic). Regular free use of grounds and premises continues to be made by Community groups such as a Folk band, 'Man trailing', local Art Club and Knitters.

We have had one or two staffing issues, due to long term illness and retirements, but we have managed. Hospitality in general seems to be finding recruitment challenging since leaving the EU and Covid. However, we have been grateful to our loyal staff who have helped cover any shortfalls adequately and without complaint.

One significant and unexpected loss was of our retired private taxi driver Brian, who used to pick up from the mainline stations. We have since purchased a small used car, driveable by volunteers and any staff with permission, to help meet this need. The additional vehicle also means we put less wear on the minibus. We regularly pick up from the bus stops and encouraging people to come via public transport is part of our long term efforts for all sorts of logical reasons.

By Q2 it was evident that every one of our suppliers was prone to increase their prices as they too were hit by high inflation (9.4% at the time), domestic political uncertainty and fall-out from both post-pandemic and global crises. We consequently have made very effort to mitigate the negative effects of price rises with our suppliers, trying to ensure less wastage and every effort being made to obtain the best value for what we order. We had Smart meters installed in both the Bungalow and Gatehouse for electricity and continue to use EDF as a supplier with green credentials. Both Oil and LPG Gas rates increased - a direct result of the conflict in Ukraine. We are monitoring prices carefully.

By the final Quarter of 2022, we felt we had managed to maintain reasonable income but had also had to contend with the fallout of rather unforeseen political changes (serious budgeting errors by a short-lived government leadership). In short, it meant that expenditure had increased somewhat drastically due to unforeseen national circumstances. These effects still need to be resolved as we enter 2023. We are, however, buoyed up by the fact that income continues to be generated by our business and we feel busy. In such a context, this report perhaps still justifies some optimism that, despite hurdles, Higham's business model can still generate a suitable income. We will need to keep our eye on expenditure where we can maintain some control.

Financial review

The charity's principal funding source is its income from the provision of courses at Higham Hall. The expenditure incurred during the year was in support of those courses and the maintenance and purchase of the premises, through a mortgage, to secure the long term future of the college.

Income for the year totalled £982,786 (2021: £722,639) with £916,505 (2021: £556,408) being generated from course fees. Total expenditure was £943,078 (2021: £709,309) resulting in a surplus of £39,708 (2021: £13,330). As a result, total reserves at the end of the year stood at £1,245,090 (2021: £1,205,382) which were all unrestricted and included a revaluation reserve of £530,047 (2021: £530,047).

The charity's trustees have considered the financial risks faced by the charity, and the level of resources that is needed in order to safeguard against these risks.

The charity takes deposits of £50 and course fees in advance, and so the risk that the charity may suffer a sudden and unforeseen loss of income is fairly small. However, other risks, such as the risk of severe weather, power cuts or tutor absences, which could require the charity to cancel courses, do still exist. In such a case, the charity may have to refund fees already collected. The risk also exists that some courses may be less well attended, and so leave the charity with a shortage of income. To mitigate this, the curriculum is planned where possible so that popular courses take place at the same time as those likely to be smaller.

Having evaluated these risks, the trustees have agreed a reserves policy as shown below.

Higham Hall College
Trustees' Report for the Year Ended 31 December 2022

Higham hall reserves policy

Unrestricted funds are needed:

- (a) to provide funds which can be designated to specific projects to enable these projects to be undertaken; and
- (b) to cover operating costs without which the charity could not function.

The trustees consider it prudent that unrestricted free reserves should be sufficient:

- (a) to avoid the necessity of realising fixed assets held for the charity's use;
- (b) to cover one month of full operating expenditure;
- (c) to provide a pool equal to 12.5% of the average group expenditure over the preceding two years after excluding direct course costs.

Unrestricted free group reserves at the end of 2022 were £57,570, which represents a shortfall against the set reserves target level of £24,050, and represents a decrease of £39,996 in the level of free reserves reported at the previous year end. The trustees will continue to carefully monitor the charity's financial performance in line with the medium term financial plan. The trustees are also mindful that the property from which Higham Hall operates is of a size and character that brings significant repair and maintenance requirements. Our reserves may therefore be required at any point to fund such work, examples of this being refurbishment of the toilets, and window repairs.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.



G J Cooke
Secretary

Higham Hall College

Trustees' Responsibilities in relation to the Financial Statements

The trustees (who are also directors of Higham Hall College for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Examiner's Report to the Trustees of
Higham Hall College**

I report on the accounts of the company for the year ended 31 December 2022, which are set out on pages 8 to 28.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Faye Armstrong FCA
Dodd & Co Limited
Chartered Accountants

24 May 2023

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Higham Hall College

Consolidated Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 31 December 2022

		Unrestricted Funds	Total Funds 2022	Total Funds 2021
	Note	£	£	£
Income and endowments from:				
Donations and legacies	2	15,999	15,999	133,995
Other trading activities	3	50,043	50,043	32,364
Investments	4	121	121	(128)
Charitable activities	5	916,505	916,505	556,408
Other income	6	118	118	-
Total income and endowments		<u>982,786</u>	<u>982,786</u>	<u>722,639</u>
Expenditure on:				
Raising funds		38,430	38,430	25,593
Charitable activities		904,648	904,648	683,716
Total expenditure		<u>943,078</u>	<u>943,078</u>	<u>709,309</u>
Net movements in funds		39,708	39,708	13,330
Reconciliation of funds				
Total funds brought forward		<u>1,205,382</u>	<u>1,205,382</u>	<u>1,192,052</u>
Total funds carried forward		<u>1,245,090</u>	<u>1,245,090</u>	<u>1,205,382</u>

All of the Charity's activities derive from continuing operations during the above periods.

The notes on pages 13 to 28 form an integral part of these financial statements.

Higham Hall College
Company registration number: 6421365
Consolidated Balance Sheet as at 31 December 2022

		2022	2021
	Note	£	£
Fixed assets			
Tangible assets	12	1,672,333	1,643,660
Current assets			
Stocks and work in progress		11,301	10,423
Debtors	14	4,728	4,201
Cash at bank and in hand		211,553	218,819
		<u>227,582</u>	<u>233,443</u>
Creditors: Amounts falling due within one year	15	<u>(218,691)</u>	<u>(191,103)</u>
Net current assets		8,891	42,340
Total assets less current liabilities		1,681,224	1,686,000
Creditors: Amounts falling due after more than one year	16	<u>(436,134)</u>	<u>(480,618)</u>
Net assets		<u>1,245,090</u>	<u>1,205,382</u>
The funds of the charity:			
Unrestricted funds			
Revaluation reserve		530,047	530,047
Unrestricted income funds		715,043	675,335
Total unrestricted funds		<u>1,245,090</u>	<u>1,205,382</u>
Total charity funds		<u>1,245,090</u>	<u>1,205,382</u>

For the financial year ended 31 December 2022, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 24 May 2023 and signed on its behalf by:

Philip J Brown
.....

P J Brown
Trustee

The notes on pages 13 to 28 form an integral part of these financial statements.

Higham Hall College
Charity Balance Sheet as at 31 December 2022

		2022	2021
	Note	£	£
Fixed assets			
Tangible assets	12	1,672,333	1,643,660
Investments	13	<u>1</u>	<u>1</u>
		1,672,334	1,643,661
Current assets			
Stocks and work in progress		8,833	8,872
Debtors	14	73,854	89,163
Cash at bank and in hand		<u>143,278</u>	<u>134,305</u>
		225,965	232,340
Creditors: amounts falling due within one year	15	<u>(217,075)</u>	<u>(190,001)</u>
Net current assets		<u>8,890</u>	<u>42,339</u>
Total assets less current liabilities		1,681,224	1,686,000
Creditors: amounts falling due after more than one year	16	<u>(436,134)</u>	<u>(480,618)</u>
Net assets		<u><u>1,245,090</u></u>	<u><u>1,205,382</u></u>
The funds of the charity:			
Unrestricted funds			
Revaluation reserve		530,047	530,047
Unrestricted income funds		<u>715,043</u>	<u>675,335</u>
Total unrestricted funds		<u>1,245,090</u>	<u>1,205,382</u>
Total charity funds		<u><u>1,245,090</u></u>	<u><u>1,205,382</u></u>

For the financial year ended 31 December 2022, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

No Statement of Financial Activity is presented for the charity as permitted by Section 408 of the Companies Act 2006. The charity posted a surplus for the financial year of £39,708 (2021 - £13,330).

The notes on pages 13 to 28 form an integral part of these financial statements.

Higham Hall College
Charity Balance Sheet as at 31 December 2022

..... *continued*

Approved by the Board on 24 May 2023 and signed on its behalf by:

Philip J Brown
.....

P J Brown
Trustee

The notes on pages 13 to 28 form an integral part of these financial statements.

Higham Hall College
Cash Flow Statement for the Year Ended 31 December 2022

	2022	2021
	£	£
Net cash provided by (used by) operating activities		
Net income for the period	39,708	13,330
Depreciation charges	13,576	12,641
Increase in stocks	(878)	(3,885)
(Increase)/decrease in debtors	(527)	20,012
Increase/(decrease) in creditors	34,135	(5,510)
	<u>86,014</u>	<u>36,588</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(42,249)	(14,025)
	<u>(42,249)</u>	<u>(14,025)</u>
Repayment of borrowings	(51,032)	(105,150)
Decrease in cash	<u>(7,267)</u>	<u>(82,587)</u>

The notes on pages 13 to 28 form an integral part of these financial statements.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

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

Going concern

The charity has considered whether the use of the going concern basis for accounting is appropriate. To do this, they have considered whether there are any material uncertainties as to the Charity's ability to continue as a going concern.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Fund accounting policy

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

Further details of each fund are disclosed in note 21.

Income and endowments

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

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Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold land and buildings	Not depreciated
Property improvements	2% reducing balance
Minibus	25% reducing balance
Artwork	Not depreciated
Fixtures, fittings and equipment	15% reducing balance

The charity holds various pieces of artwork which the charity does not depreciate in line with its financial policy. The trustees believe each item will maintain its value and does not have a definitive useful life.

The charity does not depreciate its buildings as the trustees believe that the policy of continually maintaining the property means that any depreciation charge would be immaterial due to the property retaining a high residual value at the end of its useful life.

Investments

Fixed asset investments represents the nominal share value of the charity's wholly owned subsidiary, Higham Learning Limited.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

Trade Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

The charity also operates a defined benefit pension scheme administered by the Local Government Pension Scheme. This has been accounted for as if it were a defined contribution scheme whereby contributions are charged to the Statement of Financial Activities when they become due. Further explanation of the pension arrangements is given in note 18 to the accounts.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Consolidation

Consolidated financial statements have been prepared on a line by line basis in accordance with FRS 102 and the Charities Act 2011.

The consolidated financial statements incorporate the accounts of:

- Higham Hall College, the parent
- Higham Learning Limited, the wholly owned subsidiary.

2 Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Donations and legacies			
Appeals and donations	15,999	15,999	10,127
Grants			
UK Government grants	-	-	123,868
	<u>15,999</u>	<u>15,999</u>	<u>133,995</u>

All income in the prior period related to unrestricted funds.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

3 Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Conference fees	1,012	1,012	-
Accommodation	15,714	15,714	12,439
Bar	28,679	28,679	17,154
Shop	4,638	4,638	2,771
	<u>50,043</u>	<u>50,043</u>	<u>32,364</u>

All income in the prior period related to unrestricted funds.

4 Investments

	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Interest on cash deposits	121	121	(128)

All income in the prior period related to unrestricted funds.

5 Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Course fees	916,505	916,505	556,408

All income in the prior period related to unrestricted funds.

6 Other income

	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Sale of assets	118	118	-

All income in the prior period related to unrestricted funds.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

7 Expenditure

	Higham Learning Limited	Course provision	Total 2022	Total 2021
	£	£	£	£
Direct costs				
Food and bar purchases	21,586	85,635	107,221	63,242
Course materials and expenses	-	8,790	8,790	5,062
Freelance tutors' fees and expenses	-	154,438	154,438	95,191
Laundry	676	12,607	13,283	8,491
Employment costs	6,000	301,871	307,871	249,632
Staff training	-	722	722	58
Rates	-	5,325	5,325	5,325
Water rates	-	903	903	1,448
Light, heat and power	1,200	41,894	43,094	22,582
Insurance	821	15,295	16,116	11,767
Repairs and maintenance	3,240	60,382	63,622	55,371
Telephone and fax	154	2,870	3,024	2,485
Computer software and maintenance costs	407	7,586	7,993	7,147
Printing, postage and stationery	406	7,566	7,972	7,425
Subscriptions and licences	23	431	454	724
Sundry expenses	127	2,367	2,494	1,983
Cost of trustee meetings	-	2,351	2,351	508
Motor expenses	215	4,017	4,232	2,554
Advertising	479	8,924	9,403	8,100
	<u>35,334</u>	<u>723,974</u>	<u>759,308</u>	<u>549,095</u>
Support costs				
Employment costs	-	124,059	124,059	111,677
Subsidiary accountancy fees	2,082	-	2,082	1,144
Accountancy and payroll	-	8,131	8,131	8,732
Bank charges	1,014	14,187	15,201	9,580
Mortgage interest	-	20,721	20,721	16,440
Depreciation	-	13,576	13,576	12,641
	<u>3,096</u>	<u>180,674</u>	<u>183,770</u>	<u>160,214</u>
	<u>38,430</u>	<u>904,648</u>	<u>943,078</u>	<u>709,309</u>

Of the expenditure in 2021, £709,309 related to unrestricted funds, and £25,593 of this related to Higham Learning Limited.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

8 Governance costs

	2022	2021
	£	£
Cost of trustee meetings	2,351	508
Accountancy fees	9,213	8,876
Independent examination fees	1,000	1,000
	<u>13,564</u>	<u>10,384</u>

9 Trustees' remuneration and expenses

No trustees received any remuneration during the year.

During the year the college reimbursed 3 trustees a total of £1,104 (2021 - £429) for travel costs incurred as a result of their role as trustee.

10 Net income

Net income is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	13,576	12,641
Other financial services	<u>10,213</u>	<u>9,876</u>

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

11 Employees' remuneration

The monthly average number of persons (including senior management) employed by the charity during the year was as follows:

	2022 No.	2021 No.
Administration and housekeeping	<u>34</u>	<u>35</u>

The aggregate payroll costs of these persons were as follows:

	2022 £	2021 £
Wages and salaries	407,682	339,438
Social security	15,115	14,716
Other pension costs	<u>9,133</u>	<u>7,155</u>
	<u>431,930</u>	<u>361,309</u>

Senior employees

During the year, the number of senior employees who received emoluments falling within the following ranges was:

	2022 No.	2021 No.
£60,000 - £70,000	<u>1</u>	<u>-</u>

During the year, defined contribution pension contributions on behalf of these staff amounted to £3,321 (2021 - £nil).

The key management personnel comprise the Trustees, the Principal and head of accounts. The total employee benefits of the key management personnel of the Charity were £84,631 (2021 - £73,122).

Higham Hall College
Notes to the Financial Statements for the Year Ended 31 December 2022

12 Tangible fixed assets

	Freehold land and buildings £	Property improvements £	Motor vehicles £	Artwork £	Fixtures, fittings and equipment £	Total £
Cost or Valuation						
As at 1 January 2022	1,500,000	71,064	9,750	6,000	215,886	1,802,700
Additions	-	35,549	5,500	-	1,200	42,249
As at 31 December 2022	<u>1,500,000</u>	<u>106,613</u>	<u>15,250</u>	<u>6,000</u>	<u>217,086</u>	<u>1,844,949</u>
Depreciation						
As at 1 January 2022	-	3,476	6,008	-	149,556	159,040
Charge for the year	-	1,508	1,967	-	10,101	13,576
As at 31 December 2022	<u>-</u>	<u>4,984</u>	<u>7,975</u>	<u>-</u>	<u>159,657</u>	<u>172,616</u>
Net book value						
As at 31 December 2022	<u>1,500,000</u>	<u>101,629</u>	<u>7,275</u>	<u>6,000</u>	<u>57,429</u>	<u>1,672,333</u>
As at 31 December 2021	<u>1,500,000</u>	<u>67,588</u>	<u>3,742</u>	<u>6,000</u>	<u>66,330</u>	<u>1,643,660</u>

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

13 Investments in subsidiaries

The charity holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Higham Learning Limited	United Kingdom	Provision of accommodation and other services at Higham Hall	Ordinary	100
		Capital & reserves £	Profit/(loss) for the period £	
Subsidiary undertakings				
Higham Learning Limited		1	11,613	

14 Debtors

Group

	2022 £	2021 £
Trade debtors	-	670
Other debtors	750	-
Prepayments and accrued income	3,978	3,531
	<u>4,728</u>	<u>4,201</u>

Charity

	2022 £	2021 £
Amounts from subsidiary and associated undertakings	69,126	84,962
Prepayments and accrued income	3,978	3,531
Other debtors	750	670
	<u>73,854</u>	<u>89,163</u>

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

15 Creditors: Amounts falling due within one year

Group

	2022	2021
	£	£
Bank loans and overdrafts	48,679	55,226
Trade creditors	12,051	20,838
Receipts in advance	131,971	89,123
Taxation and social security	6,714	7,019
Other creditors	11,579	11,597
Accruals and deferred income	7,697	7,300
	<u>218,691</u>	<u>191,103</u>

Charity

	2022	2021
	£	£
Bank loans and overdrafts	48,679	55,226
Trade creditors	12,051	20,838
Receipts in advance	131,971	89,123
Taxation and social security	6,714	7,019
Other creditors	11,578	11,597
Accruals and deferred income	6,082	6,198
	<u>217,075</u>	<u>190,001</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the charity:

	2022	2021
	£	£
Bank loans and overdraft	<u>48,679</u>	<u>55,226</u>

Higham Hall College
Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

16 Creditors: Amounts falling due after more than one year

Group and charity

	2022	2021
	£	£
Bank loans and overdrafts	<u>436,134</u>	<u>480,618</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2022	2021
	£	£
Bank loans and overdrafts	<u>436,134</u>	<u>480,618</u>

Included in the creditors are the following amounts due after more than 5 years:

	2022	2021
	£	£
After more than five years by instalments	<u>204,167</u>	<u>241,794</u>

17 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

18 Operating lease commitments

As at 31 December 2022 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Other	
	2022	2021
	£	£
Within one year	2,315	2,315
Within two and five years	<u>4,998</u>	<u>7,313</u>
	<u>7,313</u>	<u>9,628</u>

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

19 Pension schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £9,133 (2021 - £7,155).

Contributions totalling £2,829 (2021 - £2,847) were payable to the scheme at the end of the period and are included in creditors.

Defined benefit pension scheme

Eleven of the charity's employees are members of the final salary Local Government Pension Scheme. Following the acquisition of Higham Hall on 19 December 2008 these employees retained the right to continue contributing to this scheme. The charity obtained indemnity from the employees' previous employer such that it would have no obligation to meet the deficit which existed in the final salary pension scheme at 19 December 2008 and would only be liable for any subsequent movement in the scheme value.

The charity has also taken out a bond to indemnify the employees' previous employer against the risk of the charity ceasing to operate, or otherwise being unable to meet its obligations to fund the employees' membership of the scheme, in which case the pension scheme liability would fall due on the previous employer.

The most recent triennial actuarial valuation of the Local Government Pension Scheme, which undertaken as at 31 March 2019, values the charity's share in the scheme assets to be £328,900 in excess of its future pension liabilities. Under the funding strategy of the scheme, as the charity's funding target has been achieved, its pension contributions are therefore calculated based on future service contribution rates only. As this is the case, FRS 102, the contributions to the scheme are therefore accounted for as though it was a defined contribution scheme.

As at 31 December 2022 the college had 2 active members of this scheme.

20 Related parties

Controlling entity

The ultimate control of the charity lies with the board of directors, who are also trustees, and whose membership is set out on page 1.

Related party transactions

The charity has received a commitment to a donation of £11,613 from Higham Learning Limited, a wholly owned subsidiary (2021 - £2,562). This amount remained outstanding at the year end (2021 - £2,562).

Higham Learning Limited has provided a cross company guarantee over the bank loan taken by the charity.

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

21 Analysis of funds

	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General Funds				
Unrestricted income fund	<u>1,205,382</u>	<u>982,786</u>	<u>(943,078)</u>	<u>1,245,090</u>

Prior period

	At 1 January 2021	Incoming resources	Resources expended	At 31 December 2021
	£	£	£	£
General Funds				
Unrestricted income fund	<u>1,192,052</u>	<u>722,639</u>	<u>(709,309)</u>	<u>1,205,382</u>

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

22 Net assets by fund

Group

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Tangible assets	1,672,333	-	1,672,333	1,643,660
Current assets	218,832	8,750	227,582	233,443
Creditors: Amounts falling due within one year	(209,941)	(8,750)	(218,691)	(191,103)
Creditors: Amounts falling due after more than one year	(436,134)	-	(436,134)	(480,618)
Net assets	<u>1,245,090</u>	<u>-</u>	<u>1,245,090</u>	<u>1,205,382</u>

Charity

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Tangible assets	1,672,333	-	1,672,333	1,643,660
Investments	1	-	1	1
Current assets	217,215	8,750	225,965	232,340
Creditors: Amounts falling due within one year	(218,038)	(8,750)	(226,788)	(190,001)
Creditors: Amounts falling due after more than one year	(423,326)	-	(423,326)	(480,618)
Net assets	<u>1,248,185</u>	<u>-</u>	<u>1,248,185</u>	<u>1,205,382</u>

Higham Hall College

Notes to the Financial Statements for the Year Ended 31 December 2022

..... continued

Prior period Group

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Tangible assets	1,643,660	-	1,643,660	1,642,276
Current assets	224,693	8,750	233,443	332,157
Creditors: Amounts falling due within one year	(182,353)	(8,750)	(191,103)	(197,040)
Creditors: Amounts falling due after more than one year	(480,618)	-	(480,618)	(585,341)
Net assets	<u>1,205,382</u>	<u>-</u>	<u>1,205,382</u>	<u>1,192,052</u>

Charity

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Tangible assets	1,643,660	-	1,643,660	1,642,276
Investments	1	-	1	1
Current assets	223,590	8,750	232,340	335,166
Creditors: Amounts falling due within one year	(181,251)	(8,750)	(190,001)	(195,840)
Creditors: Amounts falling due after more than one year	(480,618)	-	(480,618)	(585,341)
Net assets	<u>1,205,382</u>	<u>-</u>	<u>1,205,382</u>	<u>1,196,262</u>