

**THE LADIES' COLLEGE, GUERNSEY**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**31 AUGUST 2019**

**THE LADIES' COLLEGE, GUERNSEY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>CONTENTS</b>	<b>Pages</b>
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 - 17

**THE LADIES' COLLEGE, GUERNSEY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**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 2019**

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 2019.

#### **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 7.

**THE LADIES' COLLEGE, GUERNSEY**

**REPORT OF THE BOARD OF GOVERNORS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**BOARD OF GOVERNORS**

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

Mrs Kathryn Richards	(retired 31st May 2019)
Advocate Caroline Chan	
Mr Brian Acton	(appointed 1st June 2019)
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**

This report was approved by the Board of Governors and signed on its behalf by:

Caroline Chan  
.....  
Chairman

Peter Miller  
.....  
Governor

Date.....3 December 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF THE LADIES' COLLEGE, GUERNSEY**

### **Opinion**

We have audited the non-statutory financial statements of The Ladies' College, Guernsey (the "College") for the year ended 31 August 2019 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 2019 and of its surplus for the year then ended;

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 Directors 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.

We have nothing to report in this regard.

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

## **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: 4 December 2019

**THE LADIES' COLLEGE, GUERNSEY**

**STATEMENT OF INCOME AND RETAINED FUNDS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Income</b>	2(a)		
States grant		127,916	222,837
Fees receivable		4,389,005	4,158,614
Student registration fees		6,152	11,315
Miscellaneous income		33,855	25,859
		<hr/>	<hr/>
		4,556,928	4,418,625
<b>Expenditure</b>			
School expenditure	2(b)	(4,259,525)	(4,065,143)
		<hr/>	<hr/>
<b>Operating surplus</b>		297,403	353,482
Fundraising and other donations received	2(c)	93,390	88,412
Bank interest received		3,173	2,510
Interest payable	2(l)	(60,877)	(55,820)
		<hr/>	<hr/>
<b>Surplus for the year</b>		333,089	388,584
		<hr/>	<hr/>
Retained funds at 1 September		4,043,088	3,654,504
		<hr/>	<hr/>
<b>Retained funds at 31 August</b>		4,376,177	4,043,088
		<hr/>	<hr/>

All amounts relate to continuing activities derived wholly in Guernsey.

The notes on pages 10 to 17 form an integral part of these financial statements.



**THE LADIES' COLLEGE, GUERNSEY**

**BALANCE SHEET**

**AS AT 31 AUGUST 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	4	6,638,882	6,705,037
<b>Current assets</b>			
Stock		2,551	-
Fee debtors		24,844	13,235
Other debtors and prepayments	5	180,275	53,007
Cash at bank and in hand	6	1,041,964	1,153,764
		<u>1,249,634</u>	<u>1,220,006</u>
<b>Creditors - amounts falling due within one year</b>	7	<u>(983,417)</u>	<u>(1,019,346)</u>
<b>Net current assets</b>		<u>266,217</u>	<u>200,660</u>
<b>Total assets less current liabilities</b>		<u>6,905,099</u>	<u>6,905,697</u>
<b>Creditors - amounts falling due after more than one year</b>	8	<u>(2,528,922)</u>	<u>(2,862,609)</u>
<b>Net Assets</b>		<u>4,376,177</u>	<u>4,043,088</u>
<b>Capital and reserves</b>			
<b>Retained funds</b>		<u>4,376,177</u>	<u>4,043,088</u>

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

Caroline Chan

.....

Chairman

Date:..... 3 December 2019

The notes on pages 10 to 17 form an integral part of these financial statements.

THE LADIES' COLLEGE, GUERNSEY

STATEMENT OF CASH FLOWS

AS AT 31 AUGUST 2019

	Note	2019 £	2019 £	2018 £	2018 £
<b>Cash flows from operating activities</b>					
<b>Surplus for the financial year</b>		333,089		388,584	
Adjustments for:					
Depreciation	4	260,003		213,137	
Loss on disposal of fixed asset		1,229		-	
Interest receivable		(3,173)		(2,510)	
Interest payable		60,877		55,820	
Increase in stock		(2,551)		-	
(Increase)/decrease in operating debtors		(138,877)		803	
(Decrease) /increase in operating creditors		(59,393)		89,712	
<b>Cash from operations</b>		<u>451,204</u>		<u>745,546</u>	
Interest received		3,173		2,510	
<b>Net cash generated from operations</b>			<u>454,377</u>		<u>748,056</u>
<b>Cash flows from investing activities</b>					
Tangible assets purchased		(121,853)		(238,381)	
<b>Net cash used in investing activities</b>			<u>(121,853)</u>		<u>(238,381)</u>
<b>Cash flows from financing activities</b>					
Repayment of bank loan		(123,823)		(127,472)	
Interest paid on bank loan		(59,177)		(52,528)	
Decrease in account with Melrose		(250,000)		(250,000)	
Finance lease payments		(11,324)		(10,030)	
<b>Net cash outflow from financing activities</b>			<u>(444,324)</u>		<u>(440,030)</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>			<u>(111,800)</u>		<u>69,645</u>
Cash and cash equivalents at the beginning of the year	6		<u>1,153,764</u>		<u>1,084,119</u>
<b>Cash and cash equivalents at the end of the year</b>	6		<u>1,041,964</u>		<u>1,153,764</u>

The notes on pages 10 to 17 form an integral part of these financial statements.

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

**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").

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) 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. The General Grant was reduced over a 7 year period with effect from 1 September 2012, in accordance with a States Resolution on 28 September 2011. 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.

**(b) 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.

**(c) 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.

**(d) 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.

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

**2. ACCOUNTING POLICIES (continued)**

**(e) 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 assets 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
Office equipment	- 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.

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.

**(f) 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.

**(g) 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.

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

**2. ACCOUNTING POLICIES (continued)**

**(h) 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.

**(i) 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 no further payment obligations.

**(j) RETAINED FUNDS**

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

**(k) 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.

**(l) BORROWING COSTS**

Finance costs are charged to the Statement of Income and Retained Surplus over the term of the debt using the effective interest method so that the amount is at a constant rate on the carrying amount.

**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).

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

**4. TANGIBLE ASSETS**

	Freehold land	Leasehold property	Leasehold improvements	Fixtures fittings, and equipment	Computer equipment	Assets held under lease	Total
	£	£	£	£	£		£
<b>COST</b>							
At 1 September 2018	1	6,340,510	57,851	551,959	161,676	-	7,111,997
Additions		-	8,645	50,331	62,877	73,224	195,077
Disposals		-	-	(25,760)	-	-	(25,760)
At 31 August 2019	1	6,340,510	66,496	576,530	224,553	73,224	7,281,314
<b>DEPRECIATION</b>							
At 1 September 2018	-	253,527	482	100,645	52,306	-	406,960
Disposals	-	-	-	(24,531)	-	-	(24,531)
Charge for the year	-	126,810	5,929	57,042	66,155	4,067	260,003
At 31 August 2019	-	380,337	6,411	133,156	118,461	4,067	642,432
<b>NET BOOK VALUE</b>							
At 31 August 2019	1	5,960,173	60,085	443,374	106,092	69,157	6,638,882
At 31 August 2018	1	6,086,983	57,369	451,314	109,370	-	6,705,037

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 (2018: £33,000).

A lease agreement was entered into during the year 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.

**5. OTHER DEBTORS AND PREPAYMENTS**

	2019	2018
	£	£
Prepayments	148,710	44,644
Other debtors	31,565	8,363
	<u>180,275</u>	<u>53,007</u>

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

**6. CASH AT BANK AND IN HAND**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash in hand	1,171	304
Operating cash	850,395	975,758
	<hr/>	<hr/>
	851,566	976,062
Gift for Learning	190,398	177,702
	<hr/>	<hr/>
	1,041,964	1,153,764
	<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**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
School and administrative expenses	408,530	466,814
Fees for autumn term received in advance	367,834	308,624
Amount payable on building contract	-	60,319
Bank loan (see note 8)	184,500	180,000
Net capital obligations under finance leases	22,553	3,589
	<hr/>	<hr/>
	983,417	1,019,346
	<hr/>	<hr/>

**8. CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank loan	2,483,324	2,611,647
Balance with The Ladies' College, Melrose	-	250,000
Net capital obligations under finance leases	45,598	962
	<hr/>	<hr/>
	2,528,922	2,862,609
	<hr/>	<hr/>

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. CREDITORS – AMOUNTS FALLING  
DUE AFTER ONE YEAR (continued)**

The maturity of the bank loan is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Repayable in instalments:</b>		
Within 1 year	184,500	180,000
Later than 1 year and not later than 5 years	738,000	720,000
Over 5 years	1,745,324	1,891,647
	<hr/>	<hr/>
	2,667,824	2,791,647
	<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 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.

The balance with The Ladies’ College, Melrose reflected the shared use of resources across the College (note 3).

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

**9. PENSION COSTS (continued)**

The total amount of superannuation contributions payable by the College to the Scheme for the year ended 31 August 2019 was £399,175 (2018: £369,373). At 31 August 2019 the amount of outstanding contributions not paid over to the Scheme was £100,239 (2018: £98,897).

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 2019 a total amount of £6,750,373 has been invested (2018: £6,749,959 ).

**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.

A new lease agreement was entered into during the year for office equipment as detailed in note 3.

The total future minimum rentals payable under the leases:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Within 1 year	29,220	254
Later than 1 year and not later than 5 years	50,513	1,016
Over 5 years	10,414	10,668
	<hr/>	<hr/>
	90,147	11,938
	<hr/>	<hr/>

**12. 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.

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

**13. 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 £513,021 (2018: £460,495).

During the year the College received £1,020 (2018: £1,690) 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.