

**ST RONAN'S SCHOOL (HAWKHURST)
(COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

**Registered number: 3419744
Charity number: 1066420**

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**ST RONAN'S SCHOOL (HAWKHURST)
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2019**

The Board of Governors present their annual report for the year ending 31 July 2019 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the Company's Memorandum and Articles of Association and the Charities SORP 2015.

Reference and Administrative Information

Saint Ronan's School was founded in 1883.

Saint Ronan's School (Hawkhurst) ('the School'), after 114 years of proprietary existence was constituted as a charitable company, limited by guarantee, on 14 August 1997. The Company registration number is 3419744 and it does not have any share capital. The liability of the members is limited to £1 each. The registered office and principal address of the company is at Water Lane, Hawkhurst, and Kent, TN18 5DJ. The School was granted charitable status on 28 November 1997 and has charity number 1066420.

The School operates in premises and on land which are leased from the Harris Will Trust (charity number 277719). Tongswood Estates Limited has authorisation from the Charity Commission to be the sole Trustee of this charity. The Harris Will Trust was formed upon the death of a former proprietorial Headmaster to provide inter alia premises at Water Lane, Hawkhurst as long as the School remains as a preparatory school with similar aims and ethos to those at the time of the formation of the Harris Will Trust in 1957.

Governors

The Governors of the charity, who are also the Company Directors and the Trustees of the School, who served during the year were: -

Mr S A Bennie BA, (6),	Mr Dominic Oliver MPhil (2) (Oxon)
Dr R J Blundell MBBS (Resigned 18 July 2019)	Mr N Phillis MA (Oxon) (2)
Dr S P Butler-Gallie MB ChB MRCP (3) (6)	Mr Andrew Ross BA, Acting Chairman (1) (4) (5)
Prof K Dacre BA MA PhD Vice-Chairman	Mr B A Seton BSc (Econ) (1)
Mr C S Langer BSc, DipARCH RIBA, IHBC (4)	Mrs E A Worthington BA PGCE MA (Oxon) (elected 23 March 2019)
Mrs J Lowe (BA(Hons), Cert Ed) (2)	Mr C C Willis MA (Cantab) (Resigned 20 June 2019)
Mr J C B Lucas MA (Cantab) (1)	

- (1) Members of the Finance & General Purposes Committee
- (2) Members of the Curriculum Committee
- (3) Members of the Health & Safety Committee
- (4) Members of the Estates Committee
- (5) Members of the Scholarship & Bursary Committee
- (6) Members of the Safeguarding Committee

Officers (currently and throughout the year) and Professional Advisors

The Head: Mr W Trelawny-Vernon BSc (Hons) (1) (2) (3) (4) (5) (6)

The Bursar and Company Secretary: Mr J Buckles MA, PGCE, BSc (1) (2) (3) (4) (5) (6)

Auditors:

Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

Bankers:

Allied Irish Bank (GB), 20-22 Marlborough Place, The Lanes, Brighton, BN1 1UB
Svenska Handelsbanken AB, 7-9 Church Road, Tunbridge Wells, TN1 1HT

Principal Solicitors:

Farrer & Co., 66 Lincoln's Inn Fields, London, WC2A 3LH

Surveyors:

Asset Construction Consultants, 43a Havelock Rd, Hastings, TN34 1BE

Website:

www.saintronans.co.uk

Governors' Report

Structure, Governance and Management

Governing Document

The Company is governed by its Memorandum and Articles of Association. The Memorandum and Articles were updated in May 2013 to reflect legislative changes.

Governing Body

The Trustees, who are also the directors for the purposes of company law, act as the Governing Body of the School and are referred to as the Governors. They are elected at the Annual General Meeting following their co-option by the Full Board. The Chairman of the Governors maintains a matrix of desirable governor skills, which is reviewed at every meeting.

The Chairman and the Chairmen of principal committees are elected annually. Incumbents may stand for re-election. It is customary for all Governors to serve for three years after full election: They are eligible to stand for re-election after a first term.

Colin Willis retired as Chairman on the 20th June 2019, he is succeeded by Andrew Ross. The Board would like to thank Colin Willis for his unstinting dedication and wise council over his term of office during which the School has been transformed.

Governors received no payments for their services.

Governor Training

In addition to ongoing training new Governors are inducted into the working of the school during preliminary meetings with fellow Governors, the Headmaster and the Bursar. They are asked to join the relevant key committees of which appropriate School staff are also members.

Members of the Governing Body attend external trustee training and information courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

Organisational Management

The Governors meet as a Board on a termly basis to determine the general policy of the Company and to review its overall management and control, for which they are legally responsible.

The Finance and General Purposes Committee (F&GP), chaired by Mr JCB Lucas, meets termly, prior to the Full Board, and at other times as required.

Four further principal standing committees, Estates, Health & Safety, Safeguarding and Curriculum meet on a termly basis. These committees include members of the School management. All Governors are members of one or more of these committees. Other committees cover Buildings, Estate, Bursaries and Scholarships, Remuneration and Fund Raising issues.

All operating policies are routinely examined and amended where appropriate.

The day to day running of the School is delegated to the Headmaster, supported by the Bursar and other members of the Senior Management Team.

Remuneration is set by the Board, with the policy objective of ensuring appropriate incentives to encourage enhanced performance and in a fair and responsible manner, rewarding for individual contributions to the Company's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other independent schools to ensure that Saint Ronan's remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the Company's charitable vision and purpose is primarily dependent on our key management personnel. S and staff costs are the largest single element of our charitable expenditure.

Group Structure and relationships

Saint Ronan's School (Hawkhurst) is limited by guarantee and is a registered charity.

Saint Ronan's is an active member of the Independent Association of Preparatory Schools (IAPS), the Independent School's Bursars' Association (ISBA) and the Association of Governing Bodies of Independent Schools (AGBIS) which are constituents

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of the Independent Schools Council (ISC). It is also a member of the Boarding Schools Association (BSA). These organisations exist to promote and maintain high standards generally in independent education.

The School actively promotes links with local charities and state schools to help the pupils at Saint Ronan's understand the social context of their education. Ross Andrew, Deputy Andrew, Deputy Head with a managerial responsibility for community links, has been Hawkhurst Parish Council's Schools' Co-ordinator since 2009.

The School benefits from the generosity of a thriving Parents' Association whose close support we greatly appreciate and gladly acknowledge.

Principal Risks and Uncertainties

The principal risks and uncertainties currently facing the Company are considered to be: the possible impact on pupil numbers as a local grammar school lowers its intake age from 13+ to 11+; price competition or heavy investment in facilities from rival schools; increasing competition for high-quality teaching and support staff and its effect on succession-planning; reputational damage in the unlikely event of a high profile legal action alleging lack of due care over our pupils as vulnerable beneficiaries. Our plans and strategies for managing risk include: investment in facilities; investment in pastoral care; proactive and effective management of staff; continuing the school's aim of being one of the Countries leading Prep Schools; maintaining effective internal controls; risk registers; incident-reporting; monitoring systems and insurance cover wherever appropriate.

Employment policy

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School. Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to apprise staff of current issues as and when required.

Objects, Public Benefit, Aims and Principal Activities

The Object of the Charitable Company, in accordance with its Memorandum and Articles of Association, is to advance the education of children at Saint Ronan's School and to carry out such legal activities as may aid in any way the educational aim of the school. In furtherance of this Object the Directors, as the Charity Trustees, have complied with the duty in S11 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant subsector guidance concerning the operation of the Public Benefit requirement under that act.

Strategic Aim and Intended Effect

The strategic aim of the school is to "provide a first class, all-round education to boys and girls from the ages of 3 -13 and in so doing be the Prep School of first choice in the Kentish Weald."

In furtherance of that guiding principle, subsidiary objectives are to: -

- Promote academic excellence while also ensuring a suitable range of sporting, other co-curricular and extra-curricular opportunities suited to the interests, aptitudes and needs of all the children;
- Provide inspiring teaching which promotes both learning and achievement by drawing out children's abilities and academic potential;
- Encourage the children's spiritual, moral, social and cultural development;
- Provide highly effective pastoral support and guidance; and
- Maintain a constructive relationship with parents and carers.

In furtherance of its Public Benefit obligations, the School will concurrently: -

- Provide means tested bursary and scholarship places to assist children from lower income or otherwise disadvantaged families to benefit from the School's activities
- Develop our 'Teaching Links' programme and working with local state schools
- Engage with the local community through our community access and service programme providing use of facilities by local groups when appropriate

Objectives

The Board's main objective is to continue to educate all the School's pupils to at least the same high standard reached in previous years.

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This has been achieved by providing a range of educational opportunities suited to the interests, aptitudes and needs of all the children in the School's care. The curriculum and extra-curricular activities programme are kept under constant review to ensure that they are suitable vehicles to meet the strategic aim.

Further to this the School aims:

- i) To maintain a low pupil to teacher ratio, to ensure continuing professional development for all staff and to make very significant improvements to the school's facilities and quality of its resources.
- ii) To continue to develop collaborative working arrangements with appropriate charities and other educational bodies to provide access to School facilities for those who are unable to attend the school itself as fee paying pupils.

Principal Activity and Income Sources

Saint Ronan's School's principal activity continued to be that of a co-educational day and boarding school for 3 to 13 year old children. At the end of the academic year the School was close to capacity. The School's principal source of income is from school fees.

Grant Making and Access Widening

In the year ending 31 July 2019 the school has supported a number of children through:

- Stanley Harris Scholarship (non-means tested): - 21 pupils totaling £37,699 (2017-18: £42,930)
- Means tested bursaries: - 24 pupils (Including 7 Stanley Harris Scholars) totaling £100,557 (2017-18: £107,017)
- Music scholarships: - 16 Pupils totaling £15,013 (2017-18: £11,987)
- Sibling discounts: - 18 Pupils totaling £42,615 (2017-18: £39,491)
- Military discounts: - 3 Pupils totaling £6,827 (2017-18: £13,070)

The Stanley Harris award is worth 10% of a full day fee and is awarded following aptitude tests in either academic ability, sport, art or music; further financial assistance was available through means testing. In September 2018 there were 24 children, who could not otherwise have benefited from a Saint Ronan's education attending the School. Fee assistance accounted for 3.1% of the School's total fee income.

Fee support is funded from fee income as the School has no endowments or property.

These awards were determined by the Scholarship & Bursary Committee following an examination of means and a home visit by an independent assessor.

To widen public access to the School further in cases where the School was unable to help financially, families were advised of other Educational Trusts that might have been able to help fund their children's education.

Teaching Staff with children at the School also benefited from fee support which further reduced gross annual fee income by £348,133 (2017-18: £311,909).

The total cost of such grant making by the School was £549,145 (2017-18: £483,465) in reduced fee income.

Parents of all Nursery age children and a number of those with children in Reception receive state aid through their Early Years Free Entitlements.

The School successfully prepared children for academic, art, drama, design technology, music and sports scholarships as well as for the Common Entrance Examination to Independent Secondary Schools. The School has no formal entrance examination. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the School's assessment process.

Saint Ronan's is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. The School would make reasonable adjustments to meet the needs of staff or pupils who are, or become, disabled.

Demand for places remains strong and the Prep School is approaching capacity in most of its year groups.

The School aims to share its wide range of academic teaching and games coaching skills with other schools which are less well provided. In particular it has provided art, sport and science facilities to local primary schools.

In order to preserve continuity of education means tested awards may be granted in cases of hardship.

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Volunteers

The Friends of Saint Ronan's (the School's Parents' Association) contributed £6,500 to school funds in the past year through their fund-raising activities. In addition to this, parents contributed more than 1000 hours in various voluntary activities. The Governors would like to take this opportunity to thank all those parents who gave so freely of their time in the past year. Their continued support is highly valued.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR 2016-17

Operational Performance of the School

The school has continued to meet its educational aims in this its 136th year and, following on from being the Tatler Prep School of the Year in 2017-2018, the Pre-Prep was runner up in the Independent School Awards in the best Pre-Prep category.

Pupil recruitment remained strong and the School was close to capacity with record pupil numbers. In the final term of 2018-19 there were 313 pupils in the Prep School, 112 in the Pre-Prep and 36 in the Nursery.

The overall academic attainment at Year 8 continued to be very good. 51 children moved on to 20 different independent schools as well as Cranbrook Grammar School. A record 36 academic, art, sports, drama or music awards were won. The School had an 100% pass rate at Common Entrance.

Music continued to go from strength to strength. All the children that took ABRSM examinations passed their grades and 74% of the candidates gained either a merit or distinction. Eleven children won Music Scholarships to their senior school including two top music Scholarships to leading specialist music schools.

The children's art also received praise and was exhibited both in the community and nationally. One child gained an art Scholarship to their senior school.

As many of the pupils as possible are chosen to play in representative matches and they enjoyed success in a wide range of competitive team games against other schools. There were also individual successes at regional and national levels.

A number of drama productions were presented to audiences of parents, other members of the School and visitors from local primary schools.

The Board would like to express their deep gratitude to the school community, especially the high quality of teaching staff.

Fundraising Performance

The charity has not made any fundraising appeals during the year. There has been no outsourced fund raising via professional fundraisers or other third parties. As a result, the charity is not registered with the fundraising regulator and did not receive any fundraising complaints in the year.

Supporting the local community and national charities

Saint Ronan's is committed to developing the role it plays in the community and is of the belief that the personal development of the pupils is enhanced by their involvement with local communities.

Children from Benenden Primary School regularly use Saint Ronan's School facilities. They are brought to site by minibus and spend the day either in the Forest School, Farm or enjoying Science lessons taught by Saint Ronan's Staff.

The Saint Ronan's Forest School is used as a regional training centre for Forest School teachers.

Local Primary Schools make use of our minibuses (normally with a driver supplied by us) to take their pupils to and from regular swimming sessions (Sandhurst Primary School) or to local events (these include Sandhurst, Benenden, Ticehurst and Flimwell Primary Schools).

We host weekly master Art classes as part of Goudhurst and Kildown Primary School's enrichment programme, as well as hosting an Art and DT class day for all those in Y5 from their school.

Due to timetable constraints at Sandhurst Primary School, we had to suspend our Gifted and Talented/Enrichment programme in which Year 5 and 6 pupils were collected by Saint Ronan's from Sandhurst Primary School to participate in Games and Art sessions on Friday afternoons. To be more flexible we are developing an outreach/enrichment book by which a Primary School can choose a session given by a member of our staff (from academic to maintenance) to help enrich the education or running of their school. Arising directly from this initiative we have assisted in a Science day at Benenden Primary School with a member of our staff teaching at the school.

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The local Council, together with Saint Ronan's, has developed a scheme whereby different schools may study a book or topic and then watch the related film at the local cinema, as part of the village Film and Photography week. This is organised by a Saint Ronan's staff member who, as Schools' Coordinator, sits on the steering committee for this event. The role includes communication with, and if necessary, visits to all of the independent and state schools in the area, with the express intention of promoting literacy, film and photography. Saint Ronan's also provides the vehicles for the event, transporting over 300 children to and from the cinema, as well as coordinating the 'school' part of the photographic competition.

School equipment and educational resources are regularly lent to other local educational establishments. This has also included a giant semi-permanent mural for Goudhurst & Kilndown Primary School and a Christmas Tree sent annually to Benenden Pre School for their Christmas Grotto.

Produce from the Harvest Festival (in excess of 800 kg of food) is distributed by our pupils to two local food banks and local day and residential care centres for the elderly. After this our pupils return to see the residents and entertain them with Christmas Carol concerts and social visits.

The School's pasture land has been let (on a peppercorn rent) to a local farmer. In return he has placed the land under the Countryside Stewardship Scheme which requires the land to be farmed for the benefit of nature and education. As a result of this, and the School's own environmentally friendly management of the estate, the biodiversity on the estate has increased considerably.

Children within the school are made aware of their social, personal, health and citizenship responsibilities through a structured social education course and lectures over the year.

We continue to raise awareness of both local, national and international charities through our Friday lecture programme. This has led to greater awareness and debate within the pupil population. The Student Council takes a vote as to where the money raised for local and national charities should go. The total raised for charity by the pupils of the School since 2003 totals in excess of £152,000.

Saint Ronan's School had a significant impact on the local economy. As measured by the Independent Schools' Council Economic Impact Tool the School:

- Supported 204 jobs both within the School and in the School's supply chain
- Generated £2.7 million of tax payments to the Exchequer
- Saved the Government £2.9 million as a result of children attending Saint Ronan's who could have otherwise taken up a free state school place

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School generated an operating surplus (after depreciation) of £377,069 for the year to 31 July 2019. The majority of the surplus was reinvested as part of the on-going programme to improve and extend the School's facilities.

Demand for places at Saint Ronan's has remained high and with a year-end total of 463 pupils attending was close to capacity.

The School has repairing leases, for which it pays rent, over the existing estate, Harris Building and the Sports Hall. The School does not own any buildings or land but maintains the property and estate as well as providing all the equipment and furniture necessary for the running of the School.

Reserves

At the year-end St Ronan's had total funds of £3,458,987 of which £5,500 were held in restricted funds. In common with other independent schools over the years the School has invested its surpluses in maintaining the fabric of its buildings and equipment used to run the School.

The Governors manage and monitor the reserves of the School on a termly basis and review in particular the availability of cash via management accounts and regular cash flow forecasts prepared by the Bursar. Following SORP FRS102 the Governors have set a policy of accumulating a cash reserve to ensure that there are sufficient liquid funds available to meet any shortfall arising from short term fluctuations in its income and expenditure operating models and to give sufficient time to take the necessary corrective action. Meanwhile an overdraft facility continues to be in place. The Governors will continually monitor the cash requirement of the School and work towards increasing the cash holding to the desired level and, in parallel, reducing the overdraft facility.

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The remainder of the funds held by the School are represented by the investment the School has made in the fabric of the buildings and other School assets.

Investment Policy and Objectives

The Board continues to keep under review the investments risks and rewards in the financial markets. Funds not required immediately for the running of the School are invested in a suitable financial vehicle.

The Charity's powers of investment are governed by the Trustee Act 2000.

FUTURE PLANS

The Development Plan for 2015-20 was formally adopted by the Board in June 2015, the 2012-17 Development plan being completed early during 2015.

The School will continue to strive to constantly improve the standard of education it offers and to improve its links with the Community. Currently the School is planning to improve its STEAM facilities during the forthcoming academic year. Construction of state-of-the-art DT and Art facilities began in April 2019 and is expected to be complete in December of the same year. The build will also include 3 classrooms and a new IT suite. Once complete this project will allow for an additional science laboratory and the remaining 3 laboratories will be upgraded to provide a first-class educational experience for the School's pupils.

Boarding numbers at Saint Ronan's remain healthy and the accommodation enjoyed by the Boarders will be upgraded beyond the National Minimum Standards in a phased program from the Autumn of 2019.

Looking further ahead the Board is considering constructing a new dining room which will provide a better dining experience for all and with greater capacity will enable the school day to become more streamlined.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors of St Ronan's School (Hawkhurst) for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the governors 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 the income and expenditure, of the charity for that period. In preparing these financial statements, the governors 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the School's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Governors is aware at the time the report is approved:

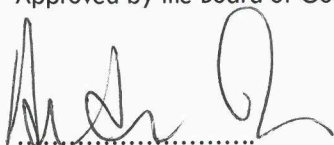
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 2006.

Approved by the Board of Governors at its meeting on 30th November 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Andrew Ross', written over a dotted line.

Andrew Ross,
Acting Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST RONAN'S SCHOOL (HAWKHURST)

Independent Auditor's Report

Opinion

We have audited the financial statements of St Ronan's School for the year ended 31 July 2019 which comprise the Statement of Financial Activities, the Balance Sheets, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 July 2019 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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.

Responsibilities of trustees for the financial statements

As explained more fully in the governors' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST RONAN'S SCHOOL (HAWKHURST)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.



Richard Weaver (Senior Statutory Auditor)
For and on behalf of haysmacintyre LLP, Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

9 December 2019

ST RONAN'S SCHOOL (HAWKHURST)
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR-ENDED 31 JULY 2019

Statement of Financial Activities (Incorporating an Income and Expenditure Account)

	Note	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
INCOME FROM:					
Donations	1	51,068	5,500	56,568	41,520
Other trading activities					
School facility lettings		21,368	-	21,368	15,066
Charitable activities					
Provision of education	2	6,305,845	-	6,305,845	5,907,876
Ancillary trading	3	291,192	-	291,192	196,593
TOTAL		<u>6,669,473</u>	<u>5,500</u>	<u>6,674,973</u>	<u>6,161,055</u>
EXPENDITURE ON:					
Raising funds:					
Finance costs	7	20,620	-	20,620	44,873
Charitable expenditure:					
Provision of education		6,260,284	17,000	6,277,284	5,643,107
TOTAL		<u>6,280,904</u>	<u>17,000</u>	<u>6,297,904</u>	<u>5,687,980</u>
NET INCOME BEFORE TRANSFERS		388,569	(11,500)	377,069	473,075
TRANSFERS	17	-	-	-	-
NET MOVEMENT IN FUNDS		388,569	(11,500)	377,069	473,075
Total funds brought forward		3,064,918	17,000	3,081,918	2,608,843
Total funds carried forward	17	<u>3,453,487</u>	<u>5,500</u>	<u>3,458,987</u>	<u>3,081,918</u>

There were no acquisitions or discontinued activities during the year. There were no other recognised gains or losses during the year.

The accompanying notes form part of these accounts.

ST RONAN'S SCHOOL (HAWKHURST)
BALANCE SHEET
AS AT 31 JULY 2018

Company Registration Number: 03419744

Balance Sheet

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible fixed assets	10	3,905,820	3,295,609
Investments	11	-	1
CURRENT ASSETS			
Stock		26,063	22,061
Debtors	12	411,845	377,409
Cash at bank and in hand		1,004,854	726,821
		<u>1,442,762</u>	<u>1,126,291</u>
CREDITORS: amounts falling due within one year	13	(1,321,431)	(723,623)
NET CURRENT ASSETS		<u>121,331</u>	<u>402,668</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,027,151	3,698,278
CREDITORS: amounts falling due after more than one year	14	(568,164)	(616,360)
NET ASSETS		<u>3,458,987</u>	<u>3,081,918</u>
FUNDS			
Unrestricted funds		3,453,487	3,064,918
Restricted funds		5,500	17,000
TOTAL FUNDS	1	<u>3,458,987</u>	<u>3,081,918</u>

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

Approved by the Board on

and signed on its behalf by:



J C B Lucas
Governor and Chairman of the Finance and General Purposes Committee

The accompanying notes form part of these accounts.

ST RONAN'S SCHOOL (HAWKHURST)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2018

Company Registration Number: 03419744

Cash Flow Statement

		2019 £	2018 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	(A)	1,181,087	807,154
Cash flows from investing activities:			
Payments for tangible fixed assets	(977,517)	<u>(516,287)</u>	<u>(516,287)</u>
<i>Net cash used in investing activities</i>		<u>(977,517)</u>	<u>(516,287)</u>
Cash flows from financing activities:			
Repayment of borrowings	74,463	<u>(24,830)</u>	<u>(24,830)</u>
<i>Net cash used in financing activities</i>		<u>74,463</u>	<u>(24,830)</u>
Change in cash and cash equivalents in the reporting period		278,033	266,037
Cash and cash equivalents at the beginning of the reporting period		<u>726,821</u>	<u>460,784</u>
Cash and cash equivalents at the end of the reporting period	(B)	<u><u>1,004,854</u></u>	<u><u>726,821</u></u>

A. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the reporting period (as per the statement of financial activities)	377,069	473,075
Adjustments for:		
Depreciation charges	367,306	342,967
(Increase)/decrease in stocks	(4,002)	2,023
(Increase)/decrease in debtors	(34,436)	59,833
Increase/(decrease) in creditors	475,150	(70,744)
Net cash provided by operating activities	<u><u>1,181,087</u></u>	<u><u>807,154</u></u>

B. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	<u>1,004,854</u>	<u>726,821</u>
Total cash and cash equivalents	<u><u>1,004,854</u></u>	<u><u>726,821</u></u>

ST RONAN'S SCHOOL (HAWKHURST)
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 JULY 2018

Accounting Policies

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the 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 2015.

The functional currency of the school is considered to be GBP because that is the currency of the primary economic environment in which the school operates.

The school is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee (company number: 03419744 and charity number: 1066420).

The financial statements are prepared under the historical cost convention

GROUP FINANCIAL STATEMENTS

These financial statements no longer consolidate the results of the charity and its wholly owned subsidiary St Ronan's Enterprise Limited on a line by line basis, due to the cessation of the trading activities in the previous financial year. A single Statement of Financial Activities, or income and expenditure account, is presented without the results of the wholly owned subsidiary, which for the year was £nil. The trading subsidiary had £nil net assets at the year-end.

GOING CONCERN

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. Given the support of the company's bankers, the governors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, Governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Governors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed below.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

FEES AND SIMILAR INCOME

Fees receivable and charges for services and use of premises (including non-refundable deposits) are accounted for in the period in which the service is provided. Registration fees are accounted for when received.

TRADING INCOME

Trading income from the letting of the school buildings and grounds is included when receivable.

DONATIONS

Donations are accounted for as soon as their amount and receipt are certain.

GIFTS IN KIND

Gifts received are recorded as income at estimated market value and capitalised where appropriate at the value in use of the asset.

ST RONAN'S SCHOOL (HAWKHURST)
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 JULY 2018

EXPENDITURE

Liabilities are recognised as resources expended 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 raising funds are those costs associated with generating incoming resources from all sources other than from charitable activities.

The company undertakes the running of the school and as such education, premises and the majority of administrative expenses are treated as direct charitable expenditure. Other indirect expenditure has been classified separately.

Supplies of games equipment, books, and stationery and sundry materials are matched to the academic year of use.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

PENSION SCHEMES

Retirement benefits to teaching employees of the School are provided by the Teachers' Pension Scheme. This is a defined benefit scheme which is individually funded and contracted out of the State Earnings Related Pension Scheme. Employer's contributions to the scheme are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations, using a prospective benefit method.

Retirement benefits to employees are also provided to non-teaching staff by the Pensions Trust. This is a multi - employer defined contribution scheme (with some guarantees) and contributions are charged to the Statement of Financial Activities when payable.

The company operates a defined contribution pension scheme for non- teaching staff. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

OPERATING LEASES

Rentals paid under operating leases are charged to income as incurred.

VALUE ADDED TAX (VAT)

The school is not registered for VAT. All amounts in the financial statements are shown inclusive of VAT, where applicable.

CORPORATION TAX

St Ronan's School (Hawkhurst) is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Taxes Act 2010 or Section 256 of Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

SCHOLARSHIPS AND BURSARIES

Scholarships and bursaries are awarded by the Scholarship & Awards Committee and are allocated on a means-test basis.

ST RONAN'S SCHOOL (HAWKHURST)
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 JULY 2018

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets on a straight line basis from the time they are available for use, other than freehold land, at rates and bases calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Property improvements	15 – 25 years
Sport facilities (Astro Turf and Sports Hall)	10 years (25 years)
Furniture and equipment	3 – 10 years
Computer equipment	3 years
Portraits	50 years
Motor Vehicles	25 years

Items of a capital nature are reviewed for their purpose and are capitalised where they are considered to provide an on-going use to the charity.

FINANCIAL INSTRUMENTS

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

STOCKS

Stocks are valued at the lower of cost and net realisable value.

RESERVES

Restricted funds are used for specific purposes. The restriction arises by the donor or when the funds are raised for a specific purpose.

Unrestricted funds are all other incoming resources for the objects of the charity without further specified purpose and are available as general funds.

ST RONAN'S SCHOOL (HAWKHURST)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

Notes to the Financial Statements

1. DONATIONS INCOME	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Donations	50,054	5,500	55,554
Gifts from subsidiary	-	-	-
Appeals	1,014	-	1,014
Gifts in kind	-	-	-
Total	51,068	5,500	56,568
DONATIONS INCOME – PRIOR YEAR	Unrestricted Funds	Restricted Funds	Total 2018
	£	£	£
Donations	386	-	386
Gifts from subsidiary	204	-	204
Appeals	3,044	-	3,044
Gifts in kind	20,886	17,000	37,886
Total	24,520	17,000	41,520
2. FEES RECEIVABLE		Unrestricted funds 2019	Unrestricted funds 2018
		£	£
Gross fees		6,818,990	6,391,341
Less: Bursaries		(100,557)	(107,017)
Music Scholarships		(15,013)	(11,978)
Sibling discounts		(42,615)	(39,491)
Staff discounts		(348,133)	(311,909)
Special discounts		(6,827)	(13,070)
Total fees receivable		6,305,845	5,907,876
Staff discounts and bursaries were awarded to 29 and 39 (2018: 29 and 31) individuals respectively during the year.			
3. ANCILLARY TRADING		Unrestricted funds 2019	Unrestricted funds 2018
		£	£
Sale of extras		268,502	159,596
Fees insurance		199	5,203
Registration fees		3,050	4,400
Miscellaneous		19,441	27,394
		291,192	196,593

ST RONAN'S SCHOOL (HAWKHURST)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

4. EXPENDITURE

	2019	2018
	£	£
Charitable expenditure included:		
Operating lease rentals - office equipment	47,808	22,608
- plant and machinery	54,365	37,647
- land and buildings	194,760	194,760
Depreciation - owned assets	367,306	342,967
Auditor's remuneration	16,530	14,004

5. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	3,110,790	2,935,044
Social security costs	317,232	281,936
Pension contributions	473,650	367,569
	3,901,672	3,584,549

	No.	No.
The average number of employees in the year was:		
Teaching – Full time	49	49
– Part time	25	21
Domestic, including grounds and maintenance	17	15
Administration	10	9
	101	94

The number of employees whose emoluments exceeded £60,000 were:

£60,001 - £70,000	3	1
£70,001 - £80,000	2	2
£90,000 - £100,000	1	-
£100,000 - £110,000	3	1

The company makes contributions to various pension schemes. The assets of these schemes are held separately from those of the company in independently administered funds. The pension costs charge represents contributions payable by the company to the funds and amounted to £404,364 (2018: £367,568).

No governor received any emoluments during either period.

Governor expenses reimbursed in the period totalled £nil (2018: £46)

Key Management Personnel were paid an aggregate remuneration of £773,333 (2018: £753,512).

ST RONAN'S SCHOOL (HAWKHURST)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

6. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Depreciation £	Other £	Total 2019 £
Cost of raising funds:				
Finance costs (note 7)	-	-	20,620	20,620
Charitable activities:				
Teaching costs	3,008,272	-	396,704	3,404,976
Welfare costs	-	-	516,274	516,274
Premises costs	388,469	274,852	618,829	1,282,150
Support costs (note 8)	504,931	92,854	476,099	1,073,884
Total expenditure	3,901,672	367,706	2,028,526	6,297,904

Support staff salaries are higher this year as a result of a revised allocation within the accounts.

ANALYSIS OF TOTAL EXPENDITURE – PRIOR YEAR

	Staff costs £	Depreciation £	Other £	Total 2018 £
Cost of raising funds:				
Finance costs (note 7)	-	-	44,873	44,873
Charitable activities:				
Teaching costs	2,900,046	-	297,566	3,197,612
Welfare costs	-	-	494,760	494,760
Premises costs	364,190	250,804	567,228	1,182,222
Support costs (note 8)	320,313	92,163	356,037	768,513
Total expenditure	3,584,549	342,967	1,760,464	5,687,980

All support costs relate to the one activity of running the school.

7. FINANCE COSTS

	2019 £	2018 £
Bank charges	10,519	6,209
Bank loan interest	2,835	6,010
Other interest	6,838	9,128
Bad debts written off	428	23,526
	20,620	44,873

8. SUPPORT COSTS

	2019 £	2018 £
Staff costs	504,931	320,313
Office costs	455,002	337,737
Depreciation	92,854	92,163
Governance costs (Note 9)	21,097	18,300
	1,073,884	768,513

ST RONAN'S SCHOOL (HAWKHURST)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

9. GOVERNANCE COSTS	2019 £	2018 £
Audit and preparation of statutory financial statements	16,530	14,004
Governors' insurance	3,942	3,240
Meeting costs	625	1,056
	<u>21,097</u>	<u>18,300</u>

10. TANGIBLE FIXED ASSETS

	Assets in the course of construction £	Property improvements £	Sports facilities £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost							
1 August 2018	167,031	3,366,930	669,465	754,577	504,455	30,958	5,493,416
Additions	301,315	387,622	82,143	103,137	103,300	-	977,517
Transfers							
31 July 2019	<u>468,346</u>	<u>3,754,552</u>	<u>751,608</u>	<u>857,714</u>	<u>607,755</u>	<u>30,958</u>	<u>6,470,933</u>
Depreciation							
1 August 2018	-	1,109,486	241,168	474,733	368,603	3,817	2,197,807
Charge for the year	-	151,199	21,875	100,139	92,854	1,239	367,306
31 July 2019	<u>-</u>	<u>1,260,685</u>	<u>263,043</u>	<u>574,872</u>	<u>461,457</u>	<u>5,056</u>	<u>2,565,113</u>
Net Book Value							
31 July 2019	<u>468,346</u>	<u>2,493,867</u>	<u>488,565</u>	<u>282,842</u>	<u>146,298</u>	<u>25,902</u>	<u>3,905,820</u>
31 July 2018	<u>167,031</u>	<u>2,257,444</u>	<u>428,297</u>	<u>279,844</u>	<u>135,852</u>	<u>27,141</u>	<u>3,295,609</u>

Included within property improvements is a leasehold premium at a cost of £150,000 (2018: £150,000) and accumulated depreciation of £129,359 (2018: £123,359)

11. INVESTMENTS	2019 £	2018 £
Cost		
Investment in Trading Subsidiary (St Ronan's Enterprise Limited)	<u>-</u>	<u>1</u>

12. DEBTORS	2019 £	2018 £
Fees	201,939	189,602
Other debtors	42,350	42,545
Prepayments and accrued income	167,556	145,262
	<u>411,845</u>	<u>377,409</u>

ST RONAN'S SCHOOL (HAWKHURST)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

13. CREDITORS: amounts falling due within one year	2019	2018
	£	£
Bank loans and overdrafts	137,585	48,257
Trade creditors	275,642	140,859
Other creditors	31,230	27,806
Other taxes and social security	93,873	128,505
Accruals and deferred income	783,101	378,196
	<u>1,321,431</u>	<u>723,623</u>

Included within accruals and deferred income falling due within one year is an amount of £495,140 (2018: £127,907) relating to fees paid in advance by parents (note 19).

Included within other creditors are amounts totalling £43,003 (2018: £51,193) in respect of outstanding pension contributions.

14. CREDITORS: amounts falling due after more than one year	2019	2018
	£	£
Bank loans	86,315	101,180
Other creditors	18,001	182,250
Accruals and deferred income	463,848	332,930
	<u>568,164</u>	<u>616,360</u>

Included in accruals and deferred income is £463,848 (2018: £332,930) of fees paid in advance by parents (note 19), which are repayable after one year, but before five years.

The bank loans are repayable by equal monthly instalments until 3rd September 2019 and bear interest at 3.5% per annum above the Bank's Managed LIBOR Base Rate. The school has an in principal agreement with its loan providers to increase the loan facility for the development of its science facilities on 3rd September 2019.

Analysis of debt maturity	2019	2018
	£	£
Amounts payable:		
In one year or less or on demand	25,482	35,698
In more than one year but not more than two years	85,915	101,180
	<u>111,397</u>	<u>136,878</u>

15. OTHER FINANCIAL COMMITMENTS

At 31 July 2019 the charity had annual commitments under non-cancellable operating leases for equipment as follows:

	2019		2018	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring				
Within 1 year	194,760	64,457	194,760	52,899
Between 2 - 5 years	482,040	122,434	590,040	42,874
After 5 years	50,610	-	137,370	-
	<u>727,410</u>	<u>186,891</u>	<u>922,170</u>	<u>95,773</u>

16. PENSION AND SIMILAR OBLIGATIONS

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £294,507 (2018: £297,735) and at the year-end £nil (2018 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

ST RONAN'S SCHOOL (HAWKHURST)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

17. FUNDS

	31 July 2018 £	Income £	Expenditure £	Transfers £	31 July 2019 £
Unrestricted					
- Accumulated reserves	3,064,918	6,669,473	(6,280,904)	-	3,453,487
Restricted					
- Tree Tops Adventure	17,000	-	(17,000)	-	-
- other	-	5,500	-	-	5,500
Total restricted funds	17,000	5,500	(17,000)	-	5,500
Total funds	3,081,918	6,674,973	(6,297,904)	-	3,458,987

FUNDS – PRIOR YEAR

	31 July 2017 £	Income £	Expenditure £	Transfers £	31 July 2018 £
Unrestricted					
- Accumulated reserves	2,596,343	6,144,055	(5,675,480)	-	3,064,918
Restricted					
- Chapel Window	12,500	-	(12,500)	-	-
- Tree Tops Adventure	-	17,000	-	-	17,000
Total restricted funds	12,500	17,000	(12,500)	-	17,000
Total funds	2,608,843	6,161,055	(5,687,980)	-	3,081,918

18. ALLOCATION OF NET ASSETS

	Fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted funds	-	5,500	-	5,500
Unrestricted funds	3,905,820	115,831	(568,164)	3,453,487
	3,905,820	121,331	(568,164)	3,458,987

ALLOCATION OF NET ASSETS – PRIOR YEAR

	Fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted funds	-	17,000	-	17,000
Unrestricted funds	3,295,609	385,669	(616,360)	3,064,918
	3,295,609	402,669	(616,360)	3,081,918

ST RONAN'S SCHOOL (HAWKHURST)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

19. RELATED PARTY TRANSACTIONS

Last year Stephen Langer, a governor of the school, provided architectural services for the design of the Powerhouse Art and DT building to a value of £27,040 (2018 £8,985). Architectural services will be provided in the 2019/20 financial year for the planned development of the Dining Room.

During 2019 £351 was paid to the medical practice of Dr Blundell, a school governor, for the administration of flu vaccine to members of the School's staff (2018: £466).

There were no other related party transactions.