



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

REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JULY 2020

**Registered number: 3419744**

**Charity number: 1066420**

## **CONTENTS of the Financial Statements for the Year Ended 31<sup>st</sup> July 2020**

1.	Trustees, Officers and Advisors For the year ended 31 July 2020.....	3
2.	Reference and Administrative Information.....	5
3.	Structure, Governance and Management.....	5
4.	Principal Risks and Uncertainties.....	7
5.	Employment policy.....	8
6.	Reserves and Going Concern.....	9
7.	Objects, Public Benefit, Aims and Principal Activities.....	10
8.	Review of Achievements and Performance for the Year 2019-20.....	12
9.	Financial Review and Results for the Year .....	15
10.	Future Plans.....	15
11.	Statement of Governors' Responsibilities.....	16
12.	Small Companies Provision .....	16
13.	Independent Auditor's Report .....	17
<b>14.</b>	<b>Statement of Financial Activities (Incorporating an Income and Expenditure Account)</b>	<b>20</b>
15.	Balance Sheet.....	21
16.	Cash Flow Statement.....	22
17.	Accounting Policies.....	23
18.	Notes to the Financial Statements .....	26

## 1. TRUSTEES, OFFICERS AND ADVISORS FOR THE YEAR ENDED 31 JULY 2020

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

	Committees (see below)							
Mr S.A. Bennie (Resigned 30 <sup>th</sup> November 2019)								
Dr S P Butler-Gallie MB ChB MRCP		H&S						
Prof K Dacre BA MA PhD Vice-Chairman								D
Mr C S Langer BSc, DipARCH RIBA, IHBC			E					
Mrs J Lowe BA(Hons, Cert Ed)				C				
Mr J C B Lucas MA (Cantab)	F&GP					R		
Mrs G E Macleay BA (Hons) Elected 21 <sup>st</sup> March 2020					S			
Mr Dominic Oliver MPhil (Oxon)								
Mr N Phillis MA (Oxon)				C				
Mr Andrew Ross BA(Hons) Chairman	F&GP		E			R	B	
Mr B A Seton BSc(Econ)	F&GP					R		
Mr N P Sladden FCA, DChA, BFP Co-opted September 2020	F&GP							
Mrs E A Worthington BA PGCE MA (Oxon)				C				

### Standing Committees Reporting to the Board

Finance and General Purposes (F&GP)

Curriculum (C)

Estates (E)

Health and Safety (H&S)

Safeguarding and Pastoral Care (S)

### The Following Committees meet as Required

Remuneration (R)

Bursaries and Scholarships (B)

Development (D)

### **Officers (currently and throughout the year)**

Mr W Trelawny-Vernon BSc (Hons) Headmaster  
Mr J Buckles MA, PGCE, BSc The Bursar, and Company Secretary

### **Professional Advisors**

#### **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

#### **Solicitors:**

Farrer & Co., 66 Lincoln's Inn Fields, London, WC2A 3LH  
Veale Wasborough Vizards, Narrow Quay House Narrow Quay, Bristol BS1 4QA

### **Principal Address**

Saint Ronan's School, Water Lane, Hawkhurst, Kent TN18 5DJ

#### **Website:**

[www.saintronans.co.uk](http://www.saintronans.co.uk)

## 2. REFERENCE AND ADMINISTRATIVE INFORMATION

Saint Ronan's School (Hawkhurst) ('the School') was founded in 1883 and 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 School is a charity and its registration number is 1066420.

The School operates in premises and on land which are leased from Tongswood Estate Limited (TEL) for which it pays rent. The lease requires the School to maintain the property and estate as well as providing all the equipment and furniture necessary for the running of the School.

TEL is the sole Trustee of the Harris Will Trust (charity number 277719). 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.

## 3. STRUCTURE, GOVERNANCE AND MANAGEMENT

### **Governing Document**

The Company is governed by its Memorandum and Articles of Association.

### **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 is elected by the Board and may hold office for up to nine years. The Chairmen of principal committees are elected annually, incumbents may stand for re-election. After a Governor has served 3 consecutive terms in office, he shall be eligible for re-election only after a year has elapsed since he retired as Governor, unless the Board considers it would be in the best interests of the Charity for a Governor to be eligible for re-election on his retirement for such number of further terms as the Board shall resolve.

### **Governor Training**

New Governors are inducted into the workings of the School, including Governing Body policy and procedures, by the Head, Bursar and, as appropriate, other school staff.

Some Governors also took advantage during the year of the opportunity to undertake training arranged by the Association of Governing Bodies of Independent Schools (AGBIS), The Independent Schools' Bursars Association (ISBA) and by the Boarding Schools' Association (BSA). The purpose of the training is to keep Governors informed and updated on current issues in the sector and regulatory requirements.

## Organisational Management

The Governors, who meet as a Board three times a year, are legally responsible for the overall management and control of the School. In addition, there are five permanent sub-committees: Curriculum, Estates, Finance & General Purposes, Safeguarding & Pastoral Care and Health & Safety. The committees are charged with receiving reports from the principal executive officers and examining detailed issues. A range of professional advisers are retained to support the work of the school and the Governing Body.

Sub-committees are formed to deal with specific issues e.g. Awards, Staff Remuneration Committee and Executive Remuneration or areas where specialist studies are required.

- **Finance and General Purposes Committee (F&GP)** monitors, evaluates, advises and makes recommendations to the Full Board on all matters relating to the finances of the School. The committee is chaired by Mr JCB Lucas.
- **Curriculum Committee** monitors, evaluates, advises and makes recommendations to the Full Board on all matters relating to the learning experiences and progress of the children at Saint Ronan's. The committee is chaired by Mr N Phillis.
- **Estates Committee** monitors, evaluates, advises and makes recommendations to the Full Board on all matters relating to the School's 250 acre estate, the physical environment aspects of the Development Plan and the monitoring of building projects. The committee is chaired by Mr S Langer.
- **Health and Safety Committee** monitors, evaluates, advises and makes recommendations to the Full Board on all matters relating to the health and safety of the children and staff at Saint Ronan's. The committee is chaired by Dr S Butler-Gallie.
- **Safeguarding and Pastoral Care Committee** monitors, advise and makes reports and recommendations to the Full Board and Headmaster, on matters relating to the protection, safety and well-being of children at Saint Ronan's. The Committee is chaired by Mrs G MacLeay.

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 retaining staff and ensuring appropriate incentives to encourage enhanced performance and in a fair and responsible manner, rewarding for individual contributions to the School's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to benchmarking provided by Independent School Associations to ensure that Saint Ronan's remains sensitive to the broader issues of pay and employment conditions elsewhere.

## 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 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 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.

#### 4. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing Saint Ronan's School are considered to be:

##### Pandemic

- **COVID19:** In February 2020 the School recognised the potential risk posed by the covid19 virus and took immediate steps to increase hygiene in the School by an education programme for both Pupils and Staff and improvements to handwashing and sanitisation facilities. Cleaning regimes were increased especially to touch points.

Saint Ronan's closed on the 20<sup>th</sup> March in line with the National Lockdown and moved to a comprehensive online distance learning model, with teachers and almost all non-teaching staff working from home.

The School carefully reviewed its pastoral policies in respect of working on line and all relevant UK Government advice to protect the safety and wellbeing of students and staff. Non-teaching staff who could not work from home were furloughed.

The closure resulted in a significant reduction of income from April onwards. This was due to the decision to cut Prep School and Pre-Prep Fees by 25% and the loss of income from ancillary activities. The Board took early action to control costs, including pausing capital projects, reducing operational costs and using the furlough scheme where appropriate. The School made up the difference between 80% furlough relief from the Government and full pay for all such employees.

Throughout the period of closure and partial closure Governors and SMT met regularly. Risk assessments were drawn up and reviewed with extensive and thorough measures implemented to make Saint Ronan's a COVID Secure workplace.

##### Risks and uncertainties

The School's activities are kept under regular review by Governors and Senior Management, and attention is given to any risks which may arise. Risks are discussed and steps taken to minimise occurrence and potential impact on the continued success of the School.

The principal risks identified are:

- Failure to deliver the School's educational aims
- Failure to attract and retain high quality staff
- The movement of children to local Grammar Schools with the reduction in entry age from 13 years to 11 years.

- Failure to comply with Charity Commission or Independent School requirements
- Risk of cyber-attack on IT systems and data and the potential of financial fraud
- Catastrophic events which could cause significant damage to the School's premises. Including, for instance, flood or fire
- Personal Health and Safety risks, such as a major accident involving the School's pupils and/or staff.
- Increasing costs of Teachers' Pensions Contributions
- Decline in pupil numbers

The most significant potential risk is a decline in pupil numbers. This may be caused by any combination of a fall in the number of children attending Independent Preparatory Schools, due to matters of parental affordability, economic uncertainty or pressure, changes in legislative or charity regulations

The School's risk exposure in its operating environment is regularly considered by Governors and Senior Management. In doing so they use a number of key controls which include:

- Formal agendas and briefing papers for committee and sub-committee meetings
- Verbal updates from staff
- Strategic and business planning
- Budgeting and management accounting
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of children

## 5. EMPLOYMENT POLICY

The School is an equal opportunities employer.

The School recognises the wealth of experience amongst its staff and encourages participation by them in making decisions likely to affect their interests. These take the form of regular staff meetings, Head of Department Meetings, Departmental Meetings, 1883 Meetings (a staff forum) or exceptional meetings as and when deemed necessary. Staff are briefed at the beginning of each term on building works which have been completed, the economic performance of the School and of any strategic decisions being considered.



## 6. RESERVES AND GOING CONCERN

At the year-end St Ronan's had total funds of £3,698,253 all of which, bar £1,926, was unrestricted. This fund is analysed on page 21 and is principally composed of £4.6 million of fixed assets offset by debt. In common with other independent schools Saint Ronan's School has, over the years, invested its surpluses into maintaining the fabric of the estate and improving the educational facilities. As such it does not have "free reserves".

The Governors manage and monitor the financial strength and reserves of the School on a termly basis via management accounts and regular cash flow forecasts prepared by the Bursar. Financial budgets and forecasts have been prepared for the period to 1<sup>st</sup> August 2024. The School holds 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. An overdraft facility is in place to meet any shortfall arising from short term fluctuations in its income and expenditure operating models. The Governors have set a policy of holding a cash reserve to ensure that there are sufficient liquid funds available to help deal with a longer term financial stress. The Governors will continually monitor the cash requirement of the School and would work towards an increased cash holding once the overdraft was reduced and there was limited capital required for projects.

As such, in making their going concern assessment the Governors have considered a period of at least 12 months following the date of approval of this report and determined that there are no material uncertainties about the School's ability to continue as a going concern.

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.

## 7. 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.

### 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. The School's principal source of income is from school fees and the School has waiting lists in several year groups.

### Ethos

The school has a distinctive character and it is this charm, this magic, that people fall in love with. It is a family school with an informal and happy atmosphere where staff are approachable and mud unremarkable. In a world where children seem to grow up ever faster, Saint Ronan's provides a happy environment for children to remain just that. We want the children to enjoy school, relish the opportunities offered and be inspired to work hard, to be kind, gentle, courteous and honest.

### Core values for Pupils

Our motto, *Floreat Saint Ronan's*, means "Let Saint Ronan's flourish". Central to this are the School's core values:- What Really Matters

- We are gentle - we don't hurt others
- We are kind and helpful - we don't hurt anybody's feelings
- We listen - we don't interrupt
- We are honest - we don't cover up the truth
- We work hard - we don't waste our own time or others'
- We look after property - we don't waste or damage things

### Ronian Characteristics

In addition, we recognise, rewards and promote these Ronian Characteristics:

- Empathy:- We put ourselves into the position of others and try to see and feel things from their point of view.
- Awareness:- We make sure we know what is needed from us and how we can be most helpful to others.
- Perseverance:- We keep trying to create our best, even when we find things difficult.
- Curiosity:- We ask questions and want to learn more.
- Imagination:- We think for ourselves and create new ideas.
- Co-operation:- We work together as a learning team.

### Saint Ronan's Strategic Aims are :

- To provide the children with an excellent all-round education with a suitable range of curricular and extra-curricular opportunities
- 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.

- To provide inspiring teaching which promotes both learning and achievement
- To encourage the children's spiritual, moral, social and cultural development
- To provide effective pastoral support and guidance
- To maintain a constructive relationship with parents and carers
- To 'mind the magic'

## Objectives

The Governors oversee these aims via the School's Development Plan, which looks at all aspects of School life and charts a pathway for continued improvement. The Board's main objective is to ensure that the School continues to offer first class education by the implementation of this Development Plan, providing a range of opportunities suited to the interests, aptitudes and needs of all the children in the School's care.

## Public Benefit

To satisfy its public benefit obligations the School will

- Provide means tested bursary and scholarship places to assist children from lower income or otherwise disadvantaged families to benefit from the School's activities
- 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.
- Develop our 'Teaching Links' programme and working with local state schools

## Entrance

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.

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.

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.

## Grant Making

In the year ending 31 July 2020 the School gave the following financial support to the families of children attending Saint Ronan's:

Discount	Number of Pupils	2019-20	2018-19
Stanley Harris Scholarship	19	£33,351	£37,699
Means Tested Bursaries	25	£110,880	£100,557
Music Scholarships	9	£8,859	£15,013
Sibling Discounts	16	£33,760	£42,615
Military Discounts	2	£3,600	£6,827

The Stanley Harris Scholarship is a non means tested award given, on entry, for excellence in either academic ability, sport, art or music.

Means tested awards are determined by the Scholarship & Bursary Committee following an examination of means and a home visit by an independent assessor. In the Summer Term of 2020 there were 25 children receiving such awards, who could not otherwise have benefited from a *Saint Ronan's education attending the School*

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

Fee assistance, which is funded entirely from fee income, accounted for 3% of the School's total fee income.

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 be 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 £275,951 (2018-19: £348,133).

The total cost of such grant making by the School was £466,401 (2018-19: £549,145) in reduced fee income.

Parents of all Nursery age children and a number of those with children in Reception receive state aid through the Government's Early Years Free Entitlement scheme.

### **Volunteers**

The Friends of Saint Ronan's (FOR, the School's Parents' Association) contributed £5,500 to school funds in the past year through their fund-raising activities. In addition to this, parents contributed more than 750 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.

## **8. REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR 2019-20**

### **Operational Performance of the School**

The academic year 2019-20 was overshadowed by the COVID Pandemic which resulted in the School being temporarily closed from the 20<sup>th</sup> March 2020. However, this was a challenge that both the teaching staff and pupils rose to admirably.

During the Summer Term the School continued to deliver education for both the Pre-Prep and Prep Schools by remote learning. Continued investment in the School's IT infrastructure meant that the School was able to offer a wide range of educational activities on line and offer IT support to both staff and pupils. A wide range of pastoral activities were also put in place to ensure that all children still felt part of the School community.

Following a detailed risk assessment, the School partially re-opened in June. Careful consideration of the requirements to ensure COVID security meant that all children had spent some time in School by the end of the academic year.

Despite the restrictions COVID placed upon the activities for the year the School had continued to meet its operational objectives.

Pupil recruitment remained strong and the School was close to capacity with record pupil numbers. In the final term of 2019-20 there were 314 pupils in the Prep School, 101 in the Pre-Prep and 45 in the Nursery.

The overall academic attainment at Year 8 continued to be outstanding. 51 children moved on to *16 different independent schools* as well as Cranbrook Grammar School. A record 27 academic, art, sports, drama or music awards were won. The School had an 100% pass rate at Common Entrance and 100% at 13+ Cranbrook.

In music, November 2019 saw all ABRSM exam candidates passed with 76% gaining either a merit or distinction. In March 2020 we had a record number of 65 exam candidates prepared - only to be cancelled two days before the exam date due to the first COVID lockdown. Despite this, the scholarship season saw six music awards won to King's Canterbury, Ardingly, Hurst, and Battle.

We also continued to invest in improving the school. A highlight of the year was the opening of the new Powerhouse Building which further enhances our ambition to be the leading STEM School in the South East.

The Governors would like to thank the wonderfully supportive parental body and especially the School staff and the pupils for their resourcefulness and creativity in keeping the spirit of the School alive during the lockdown period. 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.

The advent of COVID in March 2020 had a huge impact on the children's involvement in community activities. The majority of planned activities (especially events involving groups coming together) were not possible because of social-distancing or current Governmental guidelines.

Prior to the Spring term, children from Benenden Primary School visited Saint Ronan's termly, making use of the school facilities and the experience of the staff. Saint Ronan's minibuses bring them to site and they spend the day either in the Forest School, on the Farm or enjoying Science lessons taught by Saint Ronan's Staff. Staff from Saint Ronan's also visit Benenden to give Science lessons within their Science Week.

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

In the Summer of 2019, we hosted weekly master Art classes as part of Goudhurst and Kilndown Primary School's enrichment programme, as well as hosting an Art and DT class day for those in Year 5 at their school. The intention was for this to continue, adding music to the enrichment program, in the summer of 2020 but we are now looking ahead to 2021.

A Saint Ronan's member of staff acts as the local area school's co-ordinator for the "Flix and Pics" initiative with the local council. The role includes communication and 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 transports over 300 children to and from the cinema, and co-ordinates the 'school' part of the photographic competition. Due to the pandemic, this was cancelled in 2020 but will be reinstated in 2021.

School equipment and educational resources are regularly lent to other local educational establishments.

Children in the School are made aware of their social, personal, health and citizenship responsibilities through a comprehensive SMSC and PSHEE programmes.

We continue to raise awareness of local, national and international charities through our Friday lecture programme. This has led to greater awareness and debate within the pupil population. The School also takes a role in the local community with visits to day centres, care homes and our taking part in the local village's Remembrance Service. The Student Council votes 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 £160,000.

Historically, produce from the Harvest Festival (in excess of 800kg of food) is distributed by our pupils to two local food banks and local day and residential care centres for the elderly. At the end of the Autumn Term our pupils return to see the residents and entertain them with Christmas carol concerts and social visits. The School is looking at ways in which these community links may be retained virtually.

The School's pasture land has been let 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. We also make a conscious effort to source our food from local food producers, with the majority of our food being delivered from local suppliers. This includes milk and meat from farms adjacent to our grounds, both of which the children visit annually to understand better where their food comes from.

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

## 9. FINANCIAL REVIEW AND RESULTS FOR THE YEAR

As previously noted, in response to the COVID Lockdown the School reduced Pre-Prep and Prep School fees by 25% for the summer term. The School was also unable to generate income through its ancillary activities and boarding. This resulted in a significant fall in income for the Summer Term. Conversely the closure of the School site resulted in reduced operating costs and the Job Retention Scheme grant allowed the School to furlough 49 Staff. Capital projects were also deferred and are likely to be completed in the forthcoming financial year.

These actions restricted the financial pain of the summer term and enabled the School generated an operating surplus (after depreciation) of £242,840 for the full year to 31 July 2020. However, this surplus would not have been achieved without £93,137 in donations and legacies to the School and £271,426 received in Coronavirus Job Retention Scheme grant.

In January 2020 the School opened a new Art and DT building. This was funded by retained income from previous years, current year surplus and a bank loan.

During the course of the Summer Term the School offered forbearance to a number of parents whose income had been disrupted due to the pandemic. This resulted in a modest increase in fee debtors at year end, most of which is deemed recoverable. However, taking this and the difficult economic outlook into account, has resulted in an increase in the bad debt provision.

## 10. FUTURE PLANS

With the completion of the Powerhouse building the School successfully achieved its objectives from the 2015-20 Development Plan.

The 2020 to 25 plan has four main target areas which cover every aspect of the School's operations:

- Ensuring Continued Regulatory Compliance
- Promoting Excellent Pupil Achievement
- Promoting Excellent Pupil Personal Development
- Promoting Excellent Economic Health

Improvements have been identified by the School's management team for each of the target areas and actions needed for improvement documented. Progress towards each target is reviewed regularly and an annual report made to the Governors Highlights of the development plan include:

- Continued development of the School's Pastoral Care system
- To embed further mental health awareness into the School's curriculum
- To continue to improve and maintain the very high standard of teaching throughout the School
- Further improve links with local state schools and community
- Continue to develop the School's IT provision
- Refurbishing the Stable Block to provide 4 state of the art laboratories
- Further improvements of the School Farm
- Improvements to the Boarding Provision
- The construction of a new dining room

COVID has delayed the implementation of the 2020-25 plan which was due to begin in the summer of 2020.

## 11. 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. This will show 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 School's transactions, disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Do we have to refer to charitable Company? And is there a Group?

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.

## 12. SMALL COMPANIES PROVISION

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 28<sup>th</sup> November 2020 and signed on its behalf by:



Andrew Ross,  
Chairman



### 13. INDEPENDENT AUDITOR'S REPORT

#### Opinion

We have audited the financial statements of St Ronan's School for the year ended 31 July 2020 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 2020 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 16, 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](http://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.

### **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

18 December 2020

#### 14. STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
<b>INCOME FROM:</b>					
Donations and Grants	1	356,467	8,097	364,564	56,568
Other trading activities					
School facility lettings		8,435	-	8,435	21,368
Charitable activities					
Provision of education	2	5,997,661	-	5,997,661	6,305,845
Ancillary trading	3	202,640	-	202,640	291,192
<b>TOTAL</b>		<u>6,565,203</u>	<u>8,097</u>	<u>6,573,300</u>	<u>6,674,973</u>
<b>EXPENDITURE ON:</b>					
Raising funds:					
Finance costs	7	97,642	-	97,642	20,620
Charitable expenditure:					
Provision of education		6,224,721	11,671	6,236,392	6,277,284
<b>TOTAL</b>		<u>6,322,363</u>	<u>11,671</u>	<u>6,334,034</u>	<u>6,297,904</u>
<b>NET MOVEMENT IN FUNDS</b>		<u>242,840</u>	<u>(3,574)</u>	<u>239,266</u>	<u>377,069</u>
Total funds brought forward		<u>3,453,487</u>	<u>5,500</u>	<u>3,458,987</u>	<u>3,081,918</u>
Total funds carried forward	16	<u>3,696,327</u>	<u>1,926</u>	<u>3,698,253</u>	<u>3,458,987</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.

## 15. BALANCE SHEET

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	4,679,778	3,905,820
<b>CURRENT ASSETS</b>			
Stock		30,481	26,063
Debtors	11	365,871	411,845
Cash at bank and in hand		719,191	1,004,854
		<u>1,115,543</u>	<u>1,442,762</u>
<b>CREDITORS: amounts falling due within one year</b>	12	(1,183,528)	(1,321,431)
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>		<u>(67,985)</u>	<u>121,331</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,611,793	4,027,151
<b>CREDITORS: amounts falling due after more than one year</b>	13	(913,540)	(568,164)
<b>NET ASSETS</b>		<u>3,698,253</u>	<u>3,458,987</u>
<b>FUNDS</b>			
Unrestricted funds		3,696,327	3,453,487
Restricted funds		1,926	5,500
<b>TOTAL FUNDS</b>	16	<u>3,698,253</u>	<u>3,458,987</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 28/11/20 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<sup>st</sup> July 2020**

**16. CASH FLOW STATEMENT**

		<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	<b>(A)</b>	487,215	1,181,087
<b>Cash flows from investing activities:</b>			
Payments for tangible fixed assets	(1,196,448)	(977,517)	
<b>Net cash used in investing activities</b>		(1,196,448)	(977,517)
<b>Cash flows from financing activities:</b>			
Repayment of borrowings	423,570	74,463	
<b>Net cash used in financing activities</b>		423,570	74,463
Change in cash and cash equivalents in the reporting period		(285,663)	278,033
Cash and cash equivalents at the beginning of the reporting period		1,004,854	726,821
Cash and cash equivalents at the end of the reporting period	<b>(B)</b>	719,191	1,004,854

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

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Net income for the reporting period</b> <b>(as per the statement of financial activities)</b>	239,266	377,069
<b>Adjustments for:</b>		
Depreciation charges	422,490	367,306
(Increase)/decrease in stocks	(4,418)	(4,002)
(Increase)/decrease in debtors	45,974	(34,436)
Increase/(decrease) in creditors	(216,097)	475,150
<b>Net cash provided by operating activities</b>	487,215	1,181,087

**B. Analysis of cash and cash equivalents**

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Cash in hand	719,191	1,004,854
<b>Total cash and cash equivalents</b>	719,191	1,004,854

## 17. 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) (2<sup>nd</sup> Edition)

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

### **GOING CONCERN**

The Governors manage and monitor the reserves of the School on a termly basis and review the availability of cash via management accounts and regular cash flow forecasts prepared by the Bursar. Financial Budgets and forecasts have been prepared for the period to 1<sup>st</sup> August 2024. 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.

As such, in making their going concern assessment the Governors have considered a period of at least 12 months following the date of approval of this report and determined that there are no material uncertainties about the School's ability to continue as a going concern.

### **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 virtually 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.

## **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 in the period to which the rental relates.

## **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 and are accounted for in the period to which the award relates. Except Stanley Harris?



### **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.

## 18. NOTES TO THE FINANCIAL STATEMENTS

1.	DONATIONS INCOME	Unrestricted Funds £	Restricted Funds £	Total 2020 £
	Donations	106,030	8,097	114,127
	Grants	250,287	-	250,287
	Appeals	150	-	150
	<b>Total</b>	<b>356,467</b>	<b>8,097</b>	<b>364,564</b>
	DONATIONS INCOME – PRIOR YEAR	Unrestricted Funds £	Restricted Funds £	Total 2019 £
	Donations	50,054	5,500	55,554
	Appeals	1,014	-	1,014
	<b>Total</b>	<b>51,068</b>	<b>5,500</b>	<b>56,568</b>
2.	FEES RECEIVABLE		Unrestricted funds 2020 £	Unrestricted funds 2019 £
	Gross fees		6,464,062	6,818,990
	Less: Bursaries		(143,066)	(100,557)
	Music Scholarships		(8,859)	(15,013)
	Sibling discounts		(33,760)	(42,615)
	Staff discounts		(275,951)	(384,133)
	Special discounts		(4,765)	(6,827)
	<b>Total fees receivable</b>		<b>5,997,661</b>	<b>6,305,845</b>
	Staff discounts and bursaries were awarded to 23 and 32 (2019: 29 and 39) individuals respectively during the year.			
3.	ANCILLARY TRADING		Unrestricted funds 2020 £	Unrestricted funds 2019 £
	Ancillary trading income and costs relate to the provision of extra-curricular activities, fees insurance and registration fees.			
	Sale of extras		179,453	268,502
	Fees insurance		3,904	199
	Registration fees		2,750	3,050
	Miscellaneous		16,533	19,441
			<b>202,640</b>	<b>291,192</b>

**4. EXPENDITURE**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Charitable expenditure included:		
Operating lease rentals - office equipment	12,600	47,808
- plant and machinery	34,930	54,365
- land and buildings	194,760	194,760
Depreciation - owned assets	422,889	367,306
Auditor's remuneration	17,280	16,530
	<u>          </u>	<u>          </u>

**5. STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,393,961	3,110,790
Social security costs	319,971	317,232
Pension contributions	583,024	473,650
	<u>          </u>	<u>          </u>
	4,296,956	3,901,672
	<u>          </u>	<u>          </u>

	<b>No.</b>	<b>No.</b>
The average number of employees in the year was:		
Teaching – Full time	60	49
– Part time	23	25
Domestic, including grounds and maintenance	15	17
Administration	11	10
	<u>          </u>	<u>          </u>
	109	101
	<u>          </u>	<u>          </u>

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

	<b>2020</b>	<b>2019</b>
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£110,001 - £120,000		1
£120,001 - £130,000	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 £583,024 (2019: £404,364).

No Governor received any emoluments during either period.

Governors' expenses reimbursed in the period totalled £nil (2019: £nil)

Key Management Personnel were paid an aggregate remuneration of £803,668 (2019: £773,333).

## 6. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Depreciation £	Other £	Total 2020 £
Cost of raising funds:				
Finance costs (note 7)	-	-	97,642	97,642
Charitable activities:				
Teaching costs	3,347,485	-	254,153	3,601,638
Welfare costs	-	-	380,952	380,952
Premises costs	422,283	320,078	504,452	1,246,813
Support costs (note 8)	527,188	102,811	376,990	1,006,989
<b>Total expenditure</b>	<b>4,296,956</b>	<b>422,889</b>	<b>1,614,189</b>	<b>6,334,034</b>

## ANALYSIS OF TOTAL EXPENDITURE – PRIOR YEAR

	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
<b>Total expenditure</b>	<b>3,901,672</b>	<b>367,706</b>	<b>2,028,526</b>	<b>6,297,904</b>

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

## 7. FINANCE COSTS

	2020 £	2019 £
Bank charges	12,066	10,519
Bank loan interest	12,370	2,835
Other interest	-	6,838
Bad and doubtful debts	73,206	428
	<b>97,642</b>	<b>20,620</b>

## 8. SUPPORT COSTS

	2020 £	2019 £
Staff costs	527,188	504,931
Office costs	353,562	455,002
Depreciation	102,811	92,854
Governance costs (Note 9)	23,428	21,097
	<b>1,006,989</b>	<b>1,073,884</b>

**9. GOVERNANCE COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Audit and preparation of statutory financial statements	17,280	16,530
Governors' insurance	3,500	3,942
Meeting costs	2,648	625
	<u>23,428</u>	<u>21,097</u>

**10. TANGIBLE FIXED ASSETS**

	<b>Assets in the course of construction</b>	<b>Property improvements</b>	<b>Sports facilities</b>	<b>Furniture and equipment</b>	<b>Technology</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>							
1 August 2019	468,346	3,754,552	751,608	857,714	607,755	30,958	6,470,933
Additions	-	880,135	-	198,225	118,088	-	1,196,448
Transfers	(419,088)	419,088	-	-	-	-	-
	<u>49,258</u>	<u>5,053,775</u>	<u>751,608</u>	<u>1,055,939</u>	<u>725,843</u>	<u>30,958</u>	<u>7,667,381</u>
<b>Depreciation</b>							
1 August 2019	-	1,260,685	263,043	574,872	461,457	5,056	2,565,113
Charge for the year	-	176,818	23,571	117,980	102,882	1,239	422,490
	<u>-</u>	<u>1,437,503</u>	<u>286,614</u>	<u>692,852</u>	<u>564,339</u>	<u>6,295</u>	<u>2,987,603</u>
<b>Net Book Value</b>							
31 July 2020	<u>49,258</u>	<u>3,616,272</u>	<u>464,994</u>	<u>363,087</u>	<u>161,504</u>	<u>24,663</u>	<u>4,679,778</u>
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>

Included within property improvements is a leasehold premium at a cost of £150,000 (2019: £150,000) and accumulated depreciation of £144,359 (2019: £129,359)

<b>11. DEBTORS</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees	162,076	201,939
Other debtors	31,644	42,350
Prepayments and accrued income	172,151	167,556
	<u>365,871</u>	<u>411,845</u>

<b>12. CREDITORS: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	285,380	137,585
Trade creditors	70,667	275,642
Other creditors	108,113	31,230
Other taxes and social security	80,109	93,873
Accruals and deferred income	639,259	783,101
	<u>1,183,528</u>	<u>1,321,431</u>

Extend line

Included within accruals and deferred income falling due within one year is an amount of £350,362 (2019: £495,140) relating to fees paid in advance by parents.

Included within other creditors are amounts totalling £56,572 (2019: £43,003) in respect of outstanding pension contributions.

<b>13. CREDITORS: amounts falling due after more than one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans	362,091	86,315
Other creditors	201,200	18,001
Accruals and deferred income	350,249	463,848
	<u>913,540</u>	<u>568,164</u>

Included in accruals and deferred income is £350,249 (2019: £463,848) of fees paid in advance by parents, which are repayable after one year, but before five years.

The bank loans is repayable by equal monthly instalments until 18<sup>th</sup> November 2026 and bear interest at 3.25% per annum above the Bank's Managed LIBOR Base Rate.

<b>Analysis of debt maturity</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amounts payable:		
In one year or less or on demand	81,143	25,482
In more than one year but not more than two years	81,143	85,915
Between two and five years	243,429	-
After five years	37,518	-
	<u>443,233</u>	<u>111,397</u>

#### 14. OTHER FINANCIAL COMMITMENTS

At 31 July 2020 the School had annual commitments under non-cancellable operating leases for equipment as follows:

	2020		2019	
	Land and buildings £	Other £	Land and buildings £	Other £
<b>Expiring</b>				
Within 1 year	194,760	47,530	194,760	64,457
Between 2 - 5 years	337,890	155,330	482,040	122,434
After 5 years	-	-	50,610	-
	<u>532,650</u>	<u>202,860</u>	<u>727,410</u>	<u>186,891</u>

#### 15. 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 £462,875 (2019: £294,507) and at the year-end £nil (2019 - £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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

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. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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 the consultation and the cost cap mechanism review are completed 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.

**16. FUNDS**

	31 July 2019 £	Income £	Expenditure £	31 July 2020 £
Unrestricted				
- Accumulated reserves	3,453,487	6,565,203	(6,322,363)	3,696,327
RESTRICTED				
Fountain	5,500	8,097	(11,671)	1,926
<b>Total restricted funds</b>	<b>5,500</b>	<b>8,097</b>	<b>(11,671)</b>	<b>1,926</b>
<b>Total funds</b>	<b>3,458,987</b>	<b>6,573,300</b>	<b>(6,334,034)</b>	<b>3,698,253</b>

**FUNDS – PRIOR YEAR**

	31 July 2018 £	Income £	Expenditure £	31 July 2019 £
Unrestricted				
- Accumulated reserves	3,064,918	6,669,473	(6,280,904)	3,453,487
Restricted				
- Tree Tops Adventures	17,000	-	(17,000)	-
- OTHER	-	5,500	-	5,500
- Tree Tops Adventure Playground	17,000	5,500	(17,000)	5,500
<b>Total restricted funds</b>	<b>34,000</b>	<b>5,500</b>	<b>(17,000)</b>	<b>22,500</b>
<b>Total funds</b>	<b>3,081,918</b>	<b>6,674,973</b>	<b>(6,297,904)</b>	<b>3,458,987</b>

**17. ALLOCATION OF NET ASSETS**

	Fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted funds	-	8,097	-	8,097
Unrestricted funds	4,679,778	(76,082)	(913,540)	3,763,362
	<b>4,679,778</b>	<b>(67,985)</b>	<b>(913,540)</b>	<b>3,698,253</b>

**ALLOCATION OF NET ASSETS – PRIOR YEAR**

	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
	<b>3,905,820</b>	<b>121,331</b>	<b>(568,164)</b>	<b>3,458,987</b>

**18. RELATED PARTY TRANSACTIONS**

Stephen Langer, a Governor of the school, provided architectural services in relation to the Powerhouse Development to a value of £3,520 (2019: £27,040). The Powerhouse Development completed in January 2020. here were no other related party transactions.