

# **DUKE OF KENT SCHOOL**

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**A COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2016**

**DUKE OF KENT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)  
COMPANY INFORMATION  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**STATUS AND ADMINISTRATION**

The School is an independent registered charity number 1064183 and a company limited by guarantee with registered number 3424289.

**DIRECTORS**

The Board of Directors are appointed by the Members of the Company who are the Governors of the School. The Directors of the Company are also charity Trustees and Governors of the School. Those serving during the period to the date of this report are as follows:

Mr J.R.W.Beasley  
Mr R.A. Brocksom (Chairman)  
Mrs J.S.Cropper  
Mr S.M. Dallyn  
Mrs P.J.Hopcroft  
Mr D.M. Jack  
Mrs P.M.McKenna  
Mr G.R. Oliver  
Mr R.R Taylor- West

**Key Executives – Professional Advisers**

THE HEAD	Mrs J.M. Fremont-Barnes MA, MEd.
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THE BURSAR AND COMPANY SECRETARY	Mr C.T. Finill BSc, ACA.
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ADDRESS & REGISTERED OFFICE	Duke of Kent School Peaslake Road Ewhurst Surrey GU6 7NS
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BANKERS	Lloyds TSB Bank plc Guildford Surrey GU1 3DA
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AUDITORS	Mr David Wheeler FCCA Braidwood Wheeler & Co Goodman House 13a West Street Reigate, Surrey. RH2 9BL.
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**DUKE OF KENT SCHOOL  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Board of Directors present their annual report for the year ended 31 August 2016 together with the audited financial statements for the year, and confirm that they comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective January 2015.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

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

### **Governing Body**

The Governors are elected at a full Governors' meeting and are selected on the basis of their expertise and experience.

### **Governance**

The Governors determine the general policy of the School. The day to day management of the School is delegated to the Head and the Bursar who report either directly to the Governing Body or through sub committees covering specific areas such as Finance, IT, Marketing, Property, eSafety and Health & Safety. These are chaired by members of the Governing body or Senior Management. The Governors meet at least three times a year to determine the general policy of the School.

### **Governors training**

New Governors are introduced into the organisation and structure of the School. This includes familiarisation with the School's policies and procedures which are issued to Governors.

### **Governors and Head**

Duke of Kent School is fortunate to be served by a board of dedicated and enthusiastic governors with a wide range of experience and talents.

Governors help to shape development strategy, advise and support the Head, scrutinise policies and ensure compliance with regulations and take an interest in the work of the School. In addition to the four Governing Body meetings that take place each year, Governors serve on sub-committees including Finance and Property, IT Strategy, Health and Safety and Education. Mrs Judith Fremont-Barnes became the School's Head on 1 September 2011 and has now completed her fifth year of service.

## **OBJECT, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES**

We aim to teach pupils to be positive, compassionate and constructive members of their local and global community, ready to face the challenges of the future, and to provide them with opportunities for teamwork, leadership, service and moral development. The School up to July 2014, provided both boarding and day education for boys and girls in the age range three to sixteen. All boarding ceased at the School from then and the School has, from the Autumn term 2014 become a day school only on an extended day model. This provides wrap around care beyond the core school day from 7.30am to 7.30pm five days a week.

**Ethos and Strategic Aim** The Duke of Kent School exists to provide a safe, happy environment in which children can enjoy a high quality education. The education provided is to be both sufficiently adaptable to address the needs of each individual child and sufficiently wide ranging to challenge and develop a broad spread of talents and abilities within each child.

**Objectives for the year** The Board's main objective continued to be the education of all the School's pupils to enable them to proceed to their next School or Sixth Form College of choice. The strategy for achieving this is to maintain a high teacher-to-pupil ratio, tailoring the services as appropriate in each case to suit individual needs.

**DUKE OF KENT SCHOOL  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Principal activity** The principal activity is the provision of a co-educational Day School serving the Surrey and West Sussex area. The plans to extend this provision up to GCSE level have now been fully realised and the School continues to consolidate its reputation as a school providing a first class education in the age range 3 to 16

**GRANT MAKING AND BURSARIES**

The Governors view bursary awards as important in helping to ensure that children whose parents would otherwise not be able to afford the fees can access the education offered by the School. In making awards a number of factors are taken into consideration including educational continuity, family income, investments, savings and personal circumstances. The School does not have significant endowments and in funding awards a very careful balance has to be struck between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards.

**RISK MANAGEMENT**

The Board of Governors is responsible for the management of risks faced by the School. Detailed consideration of risks is delegated to a sub-committee which is assisted by senior school staff. Risks are identified, assessed and controls applied throughout the year. A formal risk review is undertaken annually. Controls used by the School include:

- Comprehensive strategic planning
- An established organisational structure and lines of reporting
- Hierarchical authorisation and approval levels
- Formal written policies
- Terms of reference for Governors

Through the risk management process established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where possible. It is recognised that systems can only provide reasonable but not absolute assurances that major risks have been adequately managed.

**RESERVES**

As stated in Notes 12 and 13 to the accounts the reserves are split between those restricted to specific purposes and those available for the day to day requirements of the School. The reserves policy of the School is to continue building up reserves out of annual operating surpluses until a suitable level of free reserves is obtained. The policy is that two months' expenditure would be practicable and achievable in order to cover the risks and uncertainties of operating as an independent educational establishment. It is possible however that free reserves will need to be used prior to reaching the recommended level in order to satisfy the demands of further capital expenditure so that the School can be equipped with the up to date facilities needed to maintain the standards of educational services currently provided.

**INVESTMENT POLICY**

The School's policy is to retain core cash balances on a term deposit.

**PUBLIC BENEFIT**

The Governors have complied with the duty under Section 4 of the Charities Act 2006 to have regard to the public benefit guidance published by the Charities Commission.

**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

The School continues to provide an excellent education for its pupils across a broad academic range, with a focus on the needs of each individual and the importance of personal development. We have a growth mindset, working on the principle that, with appropriate challenge and support, all are capable of extraordinary progress. Our pupils continue their education at a range of excellent local sixth forms at schools and colleges following successful performance at GCSE.

This year pupils have once again achieved personal bests not only in the classroom but also on the sports field and on the stage. Performing Arts and Art continue to be particular strengths, with successful productions and shows in all sections of the School.

**DUKE OF KENT SCHOOL  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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We place emphasis on the importance of lifelong learning and have continued to invest in an ambitious programme of professional development for our teachers and support staff, from vocational courses to Masters level qualifications.

Achieving a grant from the British Council in the past year has enabled us this year to strengthen our international links, with reciprocal visits by teachers to and from our link school in Salima, Malawi. Locally, we have established a five year link with the Watts Gallery in Compton which will open a range of curricular opportunities to our pupils. Strong local demand and excellent retention have once again seen pupil numbers rise over the last year and in September 2016 there were 301 children in the School, with waiting lists operating in a number of year groups

#### **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The results for the year under review show total incoming resources of £4,042,982 and a related surplus before exceptional items of £206,029 (2015 deficit £189,123). The year has therefore seen the School consolidate the strong pupil numbers first achieved from the Autumn term of 2014. The unrestricted funds carried forward amount to £620,612 whilst restricted funds carried forward total £18,134. Cash held by the School shows an increase of £361,435 over the balance at the previous year end. This increase is principally due to the cash effect of the surplus.

#### **COMMUNITY RELATIONS AND ACCESS**

The School plays an active part in the life of the wider community and seeks to strengthen and maintain its good, close relationships and links with the local community and support local charities and events.

A number of local clubs and associations use the School's facilities and extensive grounds, either without charge or at nominal charge. For example the School has continuously, for the last decade, hosted the Annual General Meetings of the Friends of the Hurtwood, and regularly lets facilities free of charge to local children's football and cricket clubs. In addition Masterclasses (in Art, Literature, Maths and Science) are made available to pupils in local maintained schools and the School hosts an annual festival with an academic focus which is open to the local community.

A Charity Committee of Year 10 pupils coordinates our charity activities, selecting local, national and international charities to support and organizing fundraising events. Through the School's Duke of Edinburgh scheme a number of Year 10 and 11 pupils also volunteer in the local community.

We are committed to creating and maintaining an environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation, gender or transgender, parental status or disability. We aim to be inclusive, making reasonable adjustments to meet the needs of staff, pupils, parents or visitors who are or become disabled.

#### **VOLUNTEERS**

The School benefits from a very active Parents' Association which, during the year, continued to raise funds for social functions and the purchase of educational equipment.

#### **FUTURE PLANS**

The School will continue to enhance its facilities and curriculum across the entire age range (Nursery to Year 11) and to improve the extended weekday provision of an enriching and stimulating education for all pupils, keeping our focus on meeting the needs of each individual. The Head and Governors continue to carefully consider development opportunities consistent with the aims and ethos of the School.

#### **DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The purpose of this statement is to distinguish the Directors' responsibilities for the accounts from those of the Auditors as stated in their report.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the

**DUKE OF KENT SCHOOL  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**PROVISION OF INFORMATION TO AUDITOR**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- he or she has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

In accordance with Section 154 of the Charities Act 2011, a resolution proposing the reappointment of Braidwood Wheeler & Co as auditors to the company will be put to the annual general meeting.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

Approved by the Board of Directors at its meeting on 23rd November 2016 and signed on its behalf.



Mr R.A. Brocksom  
Chairman of the Governors



## **REPORT OF THE AUDITORS TO THE DIRECTORS OF DUKE OF KENT SCHOOL**

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We have audited the financial statements of Duke of Kent School for the year ended 31 August 2016 set out on pages 8 – 16. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

### **RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

As explained more fully in the Director's responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Directors have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


**REPORT OF THE AUDITORS TO THE DIRECTORS OF  
DUKE OF KENT SCHOOL (Continued)**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Directors' report is inconsistent in any material respect with the financial statements; or
- the company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Goodman House  
13a West Street  
Reigate,  
Surrey, RH2 9BL

Mr David Wheeler FCCA  
Braidwood Wheeler & Co  
Registered Auditors and  
Chartered Certified Accountants

23rd November 2016



**DUKE OF KENT SCHOOL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016	Total Funds 2015 Restated
		£	£	£	£
<b>INCOME</b>					
Donation from Parents' Association		5,500		5,500	4,970
<b>Income from charitable activities</b>					
School Fees receivable		3,919,132	-	3,919,132	3,192,175
Registration Fees		12,900	-	12,900	11,582
<b>Income from other activities</b>					
Other incoming resources	2	102,271	-	102,271	97,813
Bank and other interest		<u>3,145</u>	<u>34</u>	<u>3,179</u>	<u>3,976</u>
<b>Total income</b>		<b>4,042,948</b>	<b>34</b>	<b>4,042,982</b>	<b>3,310,516</b>
<b>EXPENDITURE</b>					
<b>Charitable Activities</b>					
Teaching	4	2,184,276	11	2,184,287	1,977,585
Welfare		428,846	-	428,846	354,896
Premises		765,220	23	765,243	742,633
Administration of the School		370,689	-	370,689	347,512
Marketing and publicity		65,676	-	65,676	56,168
<b>Governance costs</b>	4	<b>22,212</b>	<b>-</b>	<b>22,212</b>	<b>20,845</b>
<b>Total expenditure</b>		<b>3,836,919</b>	<b>34</b>	<b>3,836,953</b>	<b>3,499,639</b>
<b>Net Income and movement</b>					
<b>In funds for the year</b>		<b>206,029</b>	<b>-</b>	<b>206,029</b>	<b>(189,123)</b>
<b>Exceptional Item</b>	5	<b>(37,709)</b>		<b>(37,709)</b>	<b>-</b>
<b>Retained surplus</b>		<b>168,320</b>		<b>168,320</b>	<b>(189,123)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Funds brought forward</b>					
<b>1 September 2015</b>		<b>452,292</b>	<b>18,134</b>	<b>470,426</b>	<b>659,649</b>
<b>Funds carried forward</b>					
<b>31 August 2016</b>		<b><u>£620,612</u></b>	<b><u>£18,134</u></b>	<b><u>£638,746</u></b>	<b><u>£470,426</u></b>

The notes on pages 12 to 18 form parts of these accounts.

**DUKE OF KENT SCHOOL  
BALANCE SHEET AS AT  
31 AUGUST 2016**

	Notes	2016 £	2015 £ Restated
<b>FIXED ASSETS</b>			
Tangible assets	6	603,309	619,694
<b>CURRENT ASSETS</b>			
Stock	1	15,313	21,839
Debtors	7	176,181	191,655
Cash at the bank and in hand	7	<u>662,090</u>	<u>300,653</u>
		<u>853,584</u>	<u>514,147</u>
<b>CURRENT LIABILITIES:</b>			
Creditors: Amounts falling due within one year	9	<u>(607,652)</u>	<u>(489,434)</u>
<b>NET CURRENT ASSETS / LIABILITIES</b>		<u>245,932</u>	<u>24,713</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>849,241</u>	<u>644,407</u>
<b>CREDITORS:</b>			
Due after more than one year	10	(210,495)	(173,981)
<b>TOTAL NET ASSETS</b>		<u>£638,746</u>	<u>£470,426</u>
<b>THE FUNDS OF THE CHARITY</b>			
Restricted funds	13	18,134	18,134
Unrestricted funds	12	620,612	452,292
		<u>£638,746</u>	<u>£470,426</u>

**DUKE OF KENT SCHOOL  
BALANCE SHEET AS AT  
31 AUGUST 2016 (continued)**

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The Directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However an audit is required in accordance with section 144 of the Charities Act 2011.

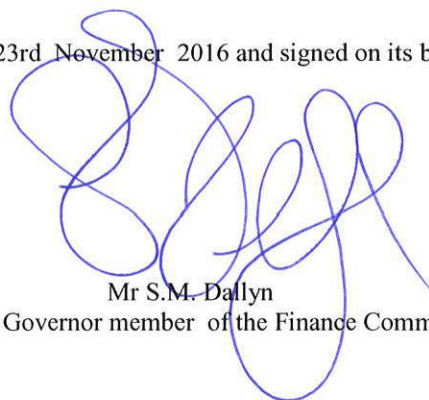
The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> August 2016 and of its expenditure for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board on the 23rd November 2016 and signed on its behalf by



Mr R.A. Brocksom  
Chairman of the Governors



Mr S.M. Dallyn  
Governor member of the Finance Committee

**The notes on pages 12 to 18 form parts of these accounts.**

**DUKE OF KENT SCHOOL  
STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Net movement in funds</b>	<b>168,320</b>	<b>(189,123)</b>
Add: Depreciation charge	174,759	204,087
Deduct: Interest received	(3,179)	(3,976)
Decrease / (Increase) in stock	6,526	(7,503)
Decrease / (Increase) in debtors	15,474	(55,617)
Increase / (Decrease) in creditors	154,732	123,075
<b>Net cash used in operating activities</b>	<b><u>516,632</u></b>	<b><u>70,943</u></b>
 <b>Cashflows from investing activities</b>		
Interest Income	3,179	3,976
Purchase of fixed assets	(158,374)	(190,435)
<b>Net cash used in investing activities</b>	<b><u>(155,195)</u></b>	<b><u>(186,459)</u></b>
 <b>Cashflow from financing activities</b>		
Repayment of borrowing	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
 <b>Change in cash and cash equivalents in the year</b>	<b>361,437</b>	<b>(115,516)</b>
Cash and cash equivalents brought forward	300,653	416,169
<b>Cash and cash equivalents carried forward</b>	<b><u>662,090</u></b>	<b><u>300,653</u></b>

The notes on pages 12 to 18 form parts of these accounts

**DUKE OF KENT SCHOOL  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1.ACCOUNTING POLICIES**

**a) Basis of Preparation**

The accounts are prepared under the historical cost convention and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with applicable accounting standards and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in July 2014. They include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

**b) Reconciliation with previously accepted accounting practice**

In preparing the accounts, the Directors have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS 102, the restatement of comparative items was required. At the date of transition in applying the requirement to recognise the net present value of the additional pension contributions required by the Pensions Trust, an initial liability of £57,360 was required. No other restatements were required.

Reconciliation of fund and balances	1 September 2014	31 August 2015
Fund balances as previously stated	717,179	528,056
Provision for additional contributions	57,630	57,630
Fund balances as restated	659,549	470,426

**c) Tangible Fixed Assets**

Depreciation is provided on all tangible fixed assets in use, at rates and bases calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	10 years
Furniture and equipment	5 -10 years
Motor vehicles	5 years
Computer hardware	2-3 years

**d) Fees**

Fees consist of charges for the school year ending 31 August inclusive of extras and net of scholarships, bursaries and discounts.

**DUKE OF KENT SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**e) Expenditure**

VAT, which is irrecoverable, is included with the item of expense or capital to which it relates.

**f) Teaching Costs**

Supplies of games equipment, books, stationery and sundry materials are written off when the expenditure is incurred.

**g) Pension Schemes**

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The Scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are applicable to the school. In accordance with FRS 102 therefore, the scheme is accounted for as defined contribution scheme.

The School also pays into a multi employer defined contribution personal pension scheme, administered by the Pensions Trust, for non-teaching staff. There has been a significant take up of this scheme by eligible employees under the terms of Auto-Enrolment legislation.

**h) Stock**

This is shown at the lower level of cost and net realisable value after making allowance for obsolete and slow moving items.

**DUKE OF KENT SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**2. INCOME FROM OTHER ACTIVITIES**

	2016	2015
	£	£
Rents and lettings	40,918	50,391
Minibus	42,916	30,710
Deferred Income (Note 8)	14,589	14,589
Sundry income	<u>3,848</u>	<u>2,123</u>
	£102,271	£97,813

**3. STAFF COSTS**

	2016	2015
	£	£
Wages and Salaries	2,190,642	2,070,911
Social security costs	188,221	161,335
Pension contributions	<u>254,067</u>	<u>213,675</u>
	£2,632,930	£2,445,921

One employee received earnings in the band £60,000 to £70,000 in the year ended 31<sup>st</sup> August 2016 (2015: One employee)

The full time equivalent number of staff working at the School during the year ended 31 August 2016 was 71 (2015: 68)

**4. ANALYSIS OF EXPENDITURE**

	Staff Costs	Other	Depreciation	2016 Total	2015 Total
	£	£	£	£	£
<b>Direct charitable Expenditure:</b>					
Teaching	2,031,310	152,977	-	2,184,287	1,977,585
Welfare	177,501	251,345	-	428,846	354,896
Premises	84,840	505,644	174,759	765,243	742,633
Administration of the School	310,690	59,999	-	370,689	347,512
Marketing and Publicity	28,589	37,087	-	65,676	56,168
Governance Costs	<u>-</u>	<u>22,212</u>	<u>-</u>	<u>22,212</u>	<u>20,845</u>
	2,632,930	1,029,264	174,759	3,836,953	3,499,639

	2016	2015
	£	£
<b>Governance costs</b>		
Auditor's remuneration:		
For audit	3,885	3,868
Legal and professional fees	<u>18,327</u>	<u>16,977</u>
	£22,212	£20,845



**DUKE OF KENT SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**5. EXCEPTIONAL ITEM**

The exceptional item relates to the terms of the Pension Trust recovery plan. The charge represents changes over the course of the year to the Net Present value of future contributions required under the terms of the recovery plan as adjusted by regular contributions - see also Note 11b

**6. TANGIBLE FIXED ASSETS**

	Leasehold Improvements £	Furniture & Equipment £	Motor vehicles £	Total £
Cost or valuation (note(a))				
1 September 2015	858,338	808,547	105,611	1,772,496
Additions	95,284	56,790	6,300	158,374
Disposals		(30,692)	(39,525)	(70,217)
31 August 2016	<u>953,622</u>	<u>834,645</u>	<u>72,386</u>	<u>1,860,653</u>
Depreciation				
1 September 2015	398,536	669,960	84,306	1,152,802
Charge for the year	46,216	121,237	7,306	174,759
Disposals		(30,692)	(39,525)	(70,217)
31 August 2016	<u>444,752</u>	<u>760,505</u>	<u>52,087</u>	<u>1,257,344</u>
Net book value				
31 August 2016	<u>£508,871</u>	<u>£74,043</u>	<u>£ 20,299</u>	<u>£603,309</u>
Net book value				
31 August 2015	<u>£459,802</u>	<u>£138,587</u>	<u>£21,305</u>	<u>£619,694</u>

a) All assets are depreciated at rates consistent with those detailed in Note 1(b)

b) All tangible assets relate to the running of the Duke of Kent School. Land and buildings are held on lease - see note 12.

**7. DEBTORS**

	2016 £	2015 £
Fees less provisions	35,484	49,164
Prepayments	58,157	79,175
Sundry debtors	<u>82,540</u>	<u>63,316</u>
	<u>£176,181</u>	<u>£191,655</u>

**DUKE OF KENT SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**8. CASH**

	2016 £	2015 £
Current / Deposit accounts and cash	<u>£662,088</u>	<u>£300,653</u>

**9. CREDITORS : Due within one year**

	2016 £	2015 £
Trade creditors	40,780	43,885
Fees received in advance and accruals	486,587	233,006
Final term deposits	24,000	20,532
PAYE and Pensions	5,138	73,841
Excursions	960	49,536
Deferred Income	43,776	58,365
Other creditors	<u>6,411</u>	<u>10,269</u>
	<u>£607,652</u>	<u>£489,434</u>

Deferred income relates exclusively to capitalised furniture and equipment of £72,954 funded during the Previous year by the School's contract caterers. This amount has been capitalised in fixed assets with a corresponding deferred credit being released on a straight line basis to the income and expenditure account over five years, the period of the contract.

**10. CREDITORS : Due after more than one year**

	2016 £	2015 £
Pensions Trust Provision	78,394	57,630
Final term deposits	<u>132,100</u>	<u>116,351</u>
	<u>£210,494</u>	<u>£173,981</u>

**11. (a) TEACHERS' PENSION SCHEME**

The School participates in a multi employer pension scheme, the Teachers' Pension Defined Benefits Scheme, for its teaching staff. The pension liability is the responsibility of the Scheme and as a result it is not possible to identify the assets and liabilities which are attributable to the School.

The last Report by the Government Actuary showed a large liability to be met by employers' supplementary contributions. As a result the employer's rate was increased in steps to its current level of 16.48%. The teachers' or employees rates became tiered from April 2012 with the lowest contribution rate set at 6.4%.

**DUKE OF KENT SCHOOL  
NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Note 11 (a) cont**

The school's contributions represent a minor proportion of the payments into the overall scheme. The pension cost shown in the accounts represents the employer's contributions payable to the fund of £215,740. (2015 - £177,566).

**11. (b) PENSIONS TRUST SCHEME**

The School also pays into a multi employer pension scheme (The Growth Plan) administered by the Pensions Trust for non-teaching staff. It is therefore not possible to identify the assets and liabilities which are attributable to the School. Contributions made by the School for this scheme vary from 1% to 10% depending on employee contributions. Each member's compulsory personal contribution ranges from 15 to 4%. The School's contributions to the fund in the year to 31<sup>st</sup> August 2016 were £38,327. (2015 - £36,220).

The School joined the scheme in 1997 and contributions from that date to September 2001 were converted to defined amounts of pension payable from normal retirement date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to a pension on retirement, either within the Growth Plan or by purchase of an annuity. From 2<sup>nd</sup> September 2005, the rules were changed such that all multi employer schemes had to change the method of calculating any possible debt due if an employer withdraws from the scheme. This used to be calculated on the MFR (minimum

funding requirement) basis but is now calculated on a full buy out basis. The Scheme has always been more than 100% funded on the MFR basis but there is a deficit of approximately 20% on the full buy out basis. Under these "employer debt regulations" the actuarial estimate at 30<sup>TH</sup> September 2015 indicates that if the Duke of Kent School were to leave the Pensions Trust Scheme or had no employees remaining within the scheme, their debt on withdrawal would be £222,569 (September 2014 estimate: £240,340 - see note 15). Schemes operated by the Pension Trust are used as the funding vehicle for auto-enrolment when applicable.

In order to address this deficit a recovery plan has been established by The Pensions Trust. The required deficit contributions are allocated to each participating employer in line with their estimated share of their Series 1 and Series 2 scheme liabilities.

As the Scheme is in deficit and the School has agreed to the deficit funding arrangements it recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement and is as follows:

	2016	2015
	£	£
Present value of provision	87,338	57,630

**DUKE OF KENT SCHOOL**  
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**FOR THE YEAR ENDED 31 AUGUST 2016**

**12. UNRESTRICTED FUNDS**

	Balance 1 September 2015 £	Incoming Resources £	Resources Expended £	Balance 31 August 2016 £
Unrestricted fund	452,292	4,042,948	3,874,628	620,612

**13. RESTRICTED FUNDS**

	Balance 1 September 2015 £	Incoming Resources £	Resources Expended £	Balance 31 August 2016 £
Prize fund	3,449	11	11	3,449
Amenities Fund	<u>14,685</u> <u>£18,134</u>	<u>23</u> <u>£34</u>	<u>23</u> <u>£34</u>	<u>14,685</u> <u>£18,134</u>

The Prize fund is used to partially fund the School's expenditure on prizes. The Amenities Fund is used to contribute to refurbishment and maintenance costs.

**14. OPERATING LEASES**

The School holds its land and buildings on lease from the Alexander Duckham Memorial Schools Trust. The School entered into this lease with the Trust on 13 August 2010 for a term of 25 years.

The School remains responsible for maintaining the property in a fit and proper condition and such costs are generally written off as and when incurred. From September 2015 the annual rent payable was set at £139,428 per annum and total annual commitment under all leases are as follows:

	2016 £	2015 £
Within 1 year	163,428	157,428
1 to 5 years	647,712	620,712
More than 5 years	<u>1,673,136</u>	<u>1,812,564</u>
	2,484,276	2,590,704

**15. CONTINGENT LIABILITY**

As detailed in note 11(b), there is a contingent liability of £222,569 relating to the "employer debt regulations" under the Pensions Trust Scheme. The School has no intention of leaving the Pensions Trust Scheme and therefore it is unlikely that this debt would crystallise. Therefore the Directors do not feel it currently appropriate to make any provision for this amount in the accounts. The last full actuarial valuation was carried out in September 2011 and action continues to be taken by all participating employers in the Scheme to eliminate the deficit.

**16. GOVERNORS' REMUNERATION**

No Governors received any remuneration during the year (2015:£nil)