

DUKE OF KENT SCHOOL

A COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2022

Registered in England. Company No: 3424289
Registered Charity No: 1064183

**DUKE OF KENT SCHOOL
COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2022**

STATUS AND ADMINISTRATION

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

GOVERNORS

The Board of Governors are the members of the company. They are also directors of the company under company law and trustees of the charity under charity law. Those serving during the period to the date of this report are as follows:

Mr R.A.Brocksom (Chair)
Mr A.R.W.Balls
Mrs J.S.Cropper
Mr S.M. Dallyn
Mrs J.Hendriksen
Mr D.M. Jack
Mrs P.M.McKenna
Mr R.J.L.Rowland (resigned 26/1/23)
Mrs C.A. Wilson

KEY EXECUTIVES AND PROFESSIONAL ADVISERS

HEAD	Mrs S.I. Knox MEd, MBA, BA (Hons)
FINANCE MANAGER	Mr N. Tearle BA (Hons), Chartered Accountant
COMPANY SECRETARY	Mr K. Stacey

ADDRESS & REGISTERED OFFICE	Duke of Kent School Peaslake Road Ewhurst Surrey GU6 7NS
--------------------------------	---

BANKERS	Lloyds Bank plc 2 City Place Gatwick West Sussex RH6 0PA
---------	--

AUDITORS	Alliotts LLP Statutory Auditor and Chartered Accountants Friary Court 13-21 High Street Guildford, Surrey GU1 3DL
----------	--

**DUKE OF KENT SCHOOL
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Board of Governors present their annual report for the year ended 31 August 2022 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 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Governance

The Governors are elected at a full Governors' meeting and are selected on the basis of their expertise and experience. The Governors determine the general policy of the School. The day to day management of the School is delegated to the Head, the Bursar and the Finance Manager who report either directly to the Governing Body or through sub-committees covering specific areas such as Finance and Property, Education, IT, Marketing, eSafety and Health & Safety. These are chaired by members of the Governing body or Senior Management.

Governors' training

New Governors are familiarised with the organisation and structure of the School. This programme includes knowledge of the School's policies and safeguarding training.

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, expertise and talent.

Governors help to shape development strategy, advise and support the Head, scrutinise policies and ensure compliance with statutory and regulatory requirements, taking an informed interest in the work of the School. In addition to the four Governing Body meetings that normally take place each year, Governors serve on sub-committees including Finance, Education, IT, Marketing, eSafety and Health & Safety.

OBJECT, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The School aims 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. Up to July 2014, the School 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, from the Autumn term 2014 became a day school only on an Extended Day model: as a legacy of boarding the School provides a full and extensive programme of educational activities beyond the core school day from 7.30am to 7.30pm, five days per week.

Ethos and Strategic Aims.

The School exists to provide a safe, happy environment in which children can enjoy a high quality education. This education 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, to develop their academic and social skills to their full potential. Employability is a key focus, with attention given to fostering positive character traits, habits and skills in order to enable our pupils to enjoy a productive and fulfilling life. The strategy for achieving this is to maintain a high teacher-to-pupil ratio, pursue a growth mindset, and a balance of challenge and support as required by each pupil.

**DUKE OF KENT SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Principal activity

The principal activity is the provision of a co-educational Extended Day School serving the Surrey and West Sussex area.

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 or continue with the education offered by the School. Bursaries can be made available for new entrants, to facilitate access or, more obviously, to current pupils, to facilitate educational continuity when deteriorating family circumstances dictate. In making awards a number of factors are taken into consideration including educational continuity, family income, assets, investments, savings and other individual circumstances. The School does not have endowments and in funding awards a very careful balance has to be struck between full 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. Risks such as those relating to safeguarding, health and safety or the School's finances are identified and assessed with controls applied to mitigate risk. A formal risk review is undertaken annually and any perceived vulnerabilities addressed. 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 and risk assessments
- 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. In common with most independent schools, the School has negative free reserves (£266,244) as the Governors have continued to reinvest surpluses into the School properties.

INVESTMENT POLICY

The School's policy is, when appropriate, to retain core cash balances on term deposit accounts.

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

Strong local demand and excellent retention have ensured that pupil numbers have climbed steadily. In September 2022 there were 313 children on roll, with a number of year groups operating at capacity. 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.

**DUKE OF KENT SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The School was last inspected by ISI (the Independent Schools' Inspectorate) in November 2019, in the area of Regulatory Compliance. We were delighted to achieve full compliance in all areas. This is a particularly pleasing achievement and a welcome external validation of the School's operations and performance.

The School is committed to breadth of education and therefore greatly values the contribution of Sport and Performing / Creative Arts to our pupils' development, in addition to the core subjects studied. Well-being and promoting the welfare of our pupils in the broadest sense remains our priority. As a further means of developing pupils beyond the classroom, the School enjoys exceptionally high rates of uptake in its Duke of Edinburgh Award Scheme. IT is embedded into the curriculum and pupils have access to iPads or Chromebooks as well as a bespoke Computer Science classroom.

Facilities at the School are outstanding. Two brand new, state of the art Science laboratories provide a stimulating and engaging environment for students from Years 3 to 11 to pursue the ever increasing range of enriching science opportunities. The installation of the All-Weather sports pitch, supplemented by major changing room improvements, has significantly enhanced sporting options especially during the winter months. Local sports clubs also benefit from the hiring opportunities that these facilities offer.

Upon leaving our pupils continue their education at a range of independent schools and excellent local sixth form colleges following successful performance at GCSE. We invest heavily in an ambitious programme of training for our whole staff team, for example by funding qualifications up to Masters and Doctorate level.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The results for the year under review show total incoming resources of £5,266,923 (2021: £5,070,742) and a related surplus of £59,614 (2021:£172,092). Unrestricted funds carried forward amount to £1,065,382 whilst restricted funds carried forward total £18,134. Cash held by the School shows an increase of £165,825 over the balance at the previous year end.

COMMUNITY RELATIONS AND ACCESS

The School plays an active role in the development, formation and maintenance of links with the local community. With the majority of students coming from the immediate area, it recognises the responsibility it has to the local community in developing students' knowledge of this vibrant locale; to form an awareness and understanding of its geography, people, history, culture and traditions. In this way it sees the local community as an educational resource which is explored through the curriculum as well as clubs and extracurricular activities. The School welcomes local organisations, clubs and associations using its facilities and extensive grounds, without charge or for a nominal fee. For example, over the last few years, the School has hosted the AGMs of the Friends of the Hurtwood and regularly lets facilities free of charge to local children's football and cricket clubs. Members of the local community are a valued educational resource, often invited into the School as visiting speakers, Artists in Residence and educational practitioners. The School actively goes into the local area and interacts with the community in initiatives such as visits to historical sites, links with local charities such as Cranleigh Rotary and Access Adventures, community concerts, visits to local museums and public spaces, and projects built around local themes; for example drawing architecture on the local high street. Following the near suspension of interaction during lockdown, we have taken the opportunity to re-evaluate existing links and look for ways to strengthen these as well as foster new ones. This aim has been included in the School's Development Plan and has been acted on during the year. This has led to a greater focus on our work with other schools in the area. Local schools have been invited on trips, to attend masterclasses and workshops, sporting events and competitions. This included a shared Art trip to The Sculpture Garden in Farnham and a Computer Science Coding competition.

The School's ethos of community engagement is embedded in the student ethos and is expressed through student-led groups, such as the Charity Committee, Sustainability Committee and the Student Council.

**DUKE OF KENT SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The School recognises its responsibility in a wider global community and sees its involvement in this context as a developmental and educational opportunity for its students. 2019 saw a successful trip to Morogoro International School (MIS) in Tanzania, which focused on charitable work, environmental awareness and forging friendship. We have maintained this link through a number of initiatives including sponsoring a child through MIS, encouraging zoom calls between students and sharing lessons and projects. The planned 2022 trip to Tanzania was postponed under but will hopefully be reinstated in 2023.

VOLUNTEERS

The School continues to benefit from a thriving and very active Parents' Association, PADoK, which, during the year, raised funds through social functions for the purchasing of school equipment to the value of £4,848.

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, balanced 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.

PAY POLICY FOR SENIOR STAFF

The Governors consider the Board of Governors, the Head and the Senior Leadership Team comprise the key personnel in charge of directing and controlling the School.

All Governors give their time freely and no Governor received any remuneration during the year, nor did they claim any expenses. The remuneration of senior staff is reviewed annually. The Governors are mindful of both national and local trends when conducting this exercise.

GOVERNORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Governors 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). The purpose of this statement is to distinguish the Governors' responsibilities for the accounts from those of the auditors as stated in their report.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 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 Governors 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.

**DUKE OF KENT SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The Governors 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 Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor 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 Governor 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.

In preparing this report, the Governors have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

Approved by the Board of Governors at its meeting on 14th March 2023 and signed on its behalf.



Mr R.A. Brocksom
Chair of the Governors

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DUKE OF KENT SCHOOL

Opinion

We have audited the financial statements of Duke of Kent School for the year ended 31st August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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 31st August 2022 and of its 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 charitable company 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DUKE OF KENT SCHOOL (continued)

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 Governors' 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 incorporated within the Governors' 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 Directors' Report included within the Governors' Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Governors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit, or
- the Governors 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 Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Governors

As explained more fully in the Governors Responsibilities Statement set out on page 5, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors 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 Governors either intend to liquidate the 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DUKE OF KENT SCHOOL (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the School through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the School, including the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the School's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations, and
- understanding the design of the School's remuneration policies.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewed legal expenses for indications of non-compliance or legal action.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DUKE OF KENT SCHOOL (continued)**

Use of our report

This report is made solely to the charity's Governors, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Governors 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 the charitable company's Governors as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Meredith BA FCA DChA (Senior Statutory Auditor)
For and behalf of Alliotts LLP

Chartered Accountants
Statutory Auditor
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Dated 19 April 2023

DUKE OF KENT SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
INCOME from:					
Donations					
Donation from Parents' Association		4,848	-	4,848	1,696
Charitable Activities					
School fees receivable	2	5,143,872	-	5,143,872	4,913,340
Registration fees		8,800	-	8,800	9,000
Other trading activities					
Other income	3	109,210	-	109,210	90,708
Other					
Government grants -furlough	3	-	-	-	55,774
Investments					
Bank and other interest		<u>193</u>	<u>-</u>	<u>193</u>	<u>224</u>
Total income		<u>5,266,923</u>	<u>-</u>	<u>5,266,923</u>	<u>5,070,742</u>
EXPENDITURE on:					
Generating Funds					
Financing costs	5	18,808	-	18,808	24,056
Charitable Activities					
Teaching	5	3,020,351	-	3,020,351	2,901,807
Welfare		555,521	-	555,521	436,952
Premises		992,844	-	992,844	1,017,710
Support costs		534,407	-	534,407	481,576
Governance costs	5	<u>85,379</u>	<u>-</u>	<u>85,379</u>	<u>36,549</u>
Total expenditure		<u>5,207,310</u>	<u>-</u>	<u>5,207,310</u>	<u>4,898,650</u>
Net Income and movement in funds for the year					
		59,613	-	59,613	172,092
RECONCILIATION OF FUNDS					
Funds brought forward					
1 September 2021		1,005,771	18,134	1,023,905	851,813
Funds carried forward					
31 August 2022		<u>£1,065,384</u>	<u>£18,134</u>	<u>£1,083,518</u>	<u>£1,023,905</u>

The notes on pages 14 to 22 form parts of these accounts.

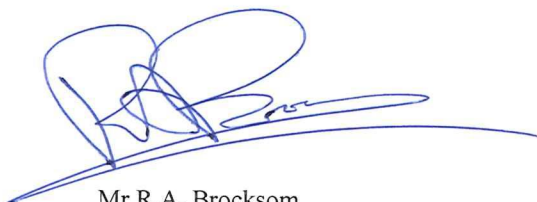
There are no other recognised gains and losses other than the net income for the year. All operations and activities are continuing.

**DUKE OF KENT SCHOOL
BALANCE SHEET AS AT
31 AUGUST 2022**

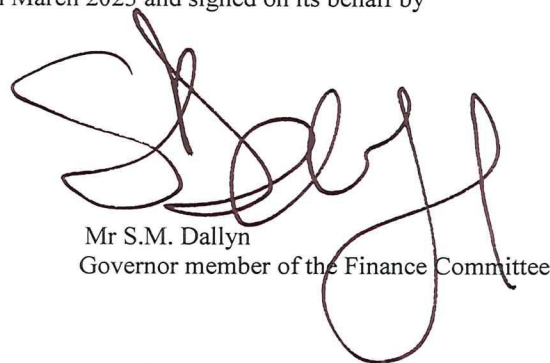
	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	6	1,331,628	1,509,029
CURRENT ASSETS			
Stock	1(g)	7,828	5,561
Debtors	7	184,790	147,464
Cash at the bank and in hand		<u>1,248,966</u>	<u>1,083,140</u>
		1,441,584	1,236,165
CURRENT LIABILITIES:			
Creditors: Amounts falling due within one year	8	<u>(1,111,119)</u>	<u>(1,081,282)</u>
NET CURRENT ASSETS		330,463	154,883
TOTAL ASSETS LESS CURRENT LIABILITIES		1,662,092	1,663,912
CREDITORS:			
Due after more than one year	9	(578,574)	(640,007)
TOTAL NET ASSETS		<u>£1,083,518</u>	<u>£1,023,905</u>
THE FUNDS OF THE CHARITY			
Restricted funds	13	18,134	18,134
Unrestricted funds	12	1,065,384	1,005,771
TOTAL FUNDS		<u>£1,083,518</u>	<u>£1,023,905</u>

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 14th March 2023 and signed on its behalf by



Mr R.A. Brocksom
Chair of the Governors



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

Company Number 3424289

The notes on pages 14 to 22 form parts of these accounts.

**DUKE OF KENT SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

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

	2022 £	2021 £
Net movement in funds	59,614	172,092
Add: Depreciation charge	265,305	275,374
Deduct: Interest received	(193)	(190)
Decrease / (Increase) in stock	(2,266)	(262)
Decrease / (Increase) in debtors	(37,329)	17,913
(Decrease) / Increase in creditors	<u>2,974</u>	<u>132,241</u>
Net cash generated by operating activities	288,105	597,168

Cashflows from investing activities

Interest Income	193	190
Purchase of fixed assets	(87,903)	(296,984)
Net cash used in investing activities	(87,710)	(296,794)

Cashflows from financing activities

Repayment of borrowing	(34,569)	(29,231)
Net cash provided by financing activities	(34,569)	(29,231)

Change in cash and cash equivalents in the year	165,826	271,143
Cash and cash equivalents brought forward	<u>1,083,140</u>	<u>811,997</u>
Cash and cash equivalents carried forward	<u>£1,248,966</u>	<u>£1,083,140</u>

The notes on pages 14 to 22 form parts of these accounts.

**DUKE OF KENT SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022**

Duke of Kent School is a charitable company limited by guarantee and registered in England and Wales. The charitable company's registered number and its registered address is shown on page 1.

1. ACCOUNTING POLICIES

a) Basis of Preparation

The accounts are prepared under the Charities Act 2011 on the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: FRS102 (effective from 1st January 2019). They include the results of the Company's operations which are described in the Directors' Report and all of which are continuing.

The financial statements are prepared in sterling which is the functional currency of the Charity and rounded to the nearest £1.

Going Concern

Having reviewed the funding facilities available to the School together with its future projected cash flows, the Governors have reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' responsibilities.

b) Tangible Fixed Assets

Tangible assets are stated at cost less accumulated depreciation. Costs include costs directly attributable to making the asset capable of operating as intended. 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:

All Weather pitch (Leasehold Improvements)	15 years
Other Leasehold improvements (Leasehold Improvements)	5 - 10 years
Furniture, plant and equipment (Plant & Equipment)	5 - 10 years
Motor vehicles (Motor Vehicles)	5 years
Computer hardware (Plant & Equipment)	2-3 years

c) Income Streams

The vast majority of the School's income is from school fees. Fees consist of charges for the school year ending 31 August inclusive of extras (such as music and LAMDA lessons) and net of scholarships, bursaries and discounts.

All income is included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable the income will be received.

d) Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular activity categories are apportioned over the relevant categories on the basis management estimates of the amount attributable to that in the year, either by reference to staff time or another representative metric, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

DUKE OF KENT SCHOOL
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

Governance costs comprise the costs of running the charity, including planning costs as well as external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements.

e) Teaching Costs

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

f) 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.

g) Stock

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

h) Debtors

Fee debtors are recognised at the settlement amount after any bursaries or discounts offered.

i) Creditors

Trade creditors are recognised at the settlement amount after allowing for discounts taken. Fees settled in advance of the term to which they relate are reflected in creditors.

Accrued expenses and other creditors are included at the best estimate of the relevant liability incurred at the balance sheet date.

j) Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

k) Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

j) Critical Accounting Estimates and Areas of Judgement

Judgement - Dilapidations: The long building lease contains the standard reinstatement clause. The lessor is kept fully aware of the ongoing maintenance programme, inspects the site regularly and is very satisfied to date with the programme and its execution by the school. Consequently, the school does not believe there to be an identifiable requirement for a reinstatement provision at present.

DUKE OF KENT SCHOOL
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

2. INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
School fees	5,549,264	5,255,602
Less: bursaries and allowances	(405,392)	(342,262)
Net fees	5,143,872	4,913,340
Registration fees	<u>8,800</u>	<u>9,000</u>
	<u>£5,152,672</u>	<u>£4,922,340</u>

3. INCOME FROM OTHER ACTIVITIES

	2022	2021
	£	£
Rents and lettings	49,849	50,826
Minibus	57,899	39,882
Sundry income	1,462	-
Government Grant: Furlough Grant	<u>-</u>	<u>55,774</u>
	<u>£109,210</u>	<u>£146,482</u>

4. STAFF COSTS

	2022	2021
	£	£
Wages and Salaries	2,797,365	2,661,815
Social security costs	279,656	260,982
Pension contributions	<u>490,277</u>	<u>465,384</u>
	<u>£3,567,298</u>	<u>£3,388,181</u>

One employee received earnings in the band £60,000 to £70,000, one in the band £70,000 to £80,000 and one in the band £100,000 to £110,000 in the year ended 31st August 2022 (2021: Two employees in the band £60,000 to £70,000 and one in the band £100,000 to £110,000). Of these employees, the highest paid employee is in the company pension scheme and also the employee in the £60,000 to £70,000 band (same in 2021).

The aggregate remuneration for key management personnel paid during the year was £372,842 (2021: £341,639).

The full time equivalent number of staff working at the School during the year ended 31 August 2022 was 72 (2021: 77).

The average head count of staff employed by the School during the year ended 31 August 2022 was 99 (2021: 101).

DUKE OF KENT SCHOOL
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

5. ANALYSIS OF EXPENDITURE

	Staff Costs	Other	Depreciation	2022 Total	2021 Total
	£	£	£	£	£
Direct charitable Expenditure:					
Teaching	2,883,110	137,241	-	3,020,350	2,901,807
Welfare	127,267	428,254	-	555,521	436,952
Premises	132,607	594,932	265,305	992,844	1,017,710
Administration of the School	380,126	73,183	-	453,309	416,477
Marketing and Publicity	44,188	36,910	-	81,098	65,099
Governance Costs	-	85,379	-	85,379	36,549
	<u>3,567,298</u>	<u>1,355,899</u>	<u>265,305</u>	<u>5,188,502</u>	<u>4,874,594</u>
Financing Costs:					
Bank Loan Interest	-	18,808	-	18,808	24,056
Total	<u>3,567,298</u>	<u>1,374,707</u>	<u>265,305</u>	<u>5,207,310</u>	<u>4,898,650</u>

Financing costs are 100% attributable to unrestricted funds.

Governance costs	2022 £	2021 £
Auditors' remuneration	9,120	7,800
Legal and professional fees	<u>76,259</u>	<u>28,749</u>
	<u>£85,379</u>	<u>£36,549</u>

Governance costs are 100% allocated to charitable activities in accordance with the general apportionment of costs.

DUKE OF KENT SCHOOL
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

6. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Plant & Equipment £	Motor vehicles £	Total £
Cost or valuation (note(a))				
1 September 2021	2,530,219	1,172,650	55,047	3,757,916
Additions	19,231	68,672	-	87,903
Disposals	-	(22,518)	(8,010)	(30,528)
31 August 2022	<u>2,549,450</u>	<u>1,218,804</u>	<u>47,037</u>	<u>3,815,291</u>
Depreciation				
1 September 2021	1,199,990	1,002,024	46,872	2,248,886
Charge for the year	170,097	92,354	2,854	265,305
Disposals	-	(22,518)	(8,010)	(30,528)
31 August 2022	<u>1,370,087</u>	<u>1,071,860</u>	<u>41,716</u>	<u>2,283,663</u>
Net book value				
31 August 2022	<u>£1,179,363</u>	<u>£146,946</u>	<u>£5,321</u>	<u>£1,331,628</u>
Net book value				
31 August 2021	<u>£1,330,228</u>	<u>£170,626</u>	<u>£8,175</u>	<u>£1,509,029</u>

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

b) The Land and buildings occupied by the School are held on long term lease – see note 14.

7. DEBTORS

	2022 £	2021 £
Fees less provisions	1,965	14,754
Prepayments	80,291	81,902
Other debtors	<u>102,534</u>	<u>50,805</u>
	<u>£184,790</u>	<u>£147,461</u>

8. CREDITORS : Due within one year

	2022 £	2021 £
Bank Loan (Note 10)	53,377	53,376
Trade creditors	55,961	87,903
Fees received in advance	663,532	599,920
Final term deposits	30,400	36,000
Accruals	106,286	109,370
PAYE and Pensions	121,367	183,275
Other creditors	<u>80,196</u>	<u>11,438</u>
	<u>£1,111,119</u>	<u>£1,081,282</u>

DUKE OF KENT SCHOOL
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

9. CREDITORS : Due after more than one year

	2022	2021
	£	£
Bank Loan (Note 10)	398,397	432,967
Pensions Trust Provision	6,677	33,340
Final term deposits	<u>173,500</u>	<u>173,700</u>
	<u>£578,574</u>	<u>£640,007</u>

10. BANK LOAN

During the year to 31st August 2018 a fixed term loan of £600,000 was drawn down. This is being borrowed from Lloyds Bank Plc at a fixed rate of 4.03% over 15 years.

	2022	2021
	£	£
Due within 1 year	53,377	53,376
Due between 2 to 5 years	213,508	213,508
Due over 5 years	<u>184,889</u>	<u>219,458</u>
	<u>£451,774</u>	<u>£486,342</u>

11.(a) TEACHERS' PENSION SCHEME

The School participates in a multi-employer defined benefit pension scheme, the Teachers' Pension 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 most recent actuarial valuation of the TPS was prepared as at 31st 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 1st September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

Contributions charged to income and expenditure account for the year in which they are payable to the scheme. Differences between contributions payable and those actually paid in the year are either shown as accruals or prepayments at the year end.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The School's contributions represent a minor proportion of the payments into the overall national scheme. The pension cost shown in the accounts represents the employer's contributions payable to the fund of £447,654 (2021: £419,526).

DUKE OF KENT SCHOOL
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

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 directly to the School. Contributions made by the School to this scheme vary from 6.00% to 16.48% depending on employee contributions. The School's contribution to the scheme in the year to 31st August 2022 was £42,623 (2021: £45,858). Each member's compulsory personal contribution is 4.00%.

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 2nd 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 4% on the full buy out basis. A full actuarial valuation for the scheme was last carried out as at 30 September 2020. This valuation showed assets of £800m, liabilities of £832m and a deficit of £32m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

Under these "employer debt regulations" the latest actuarial estimate indicates that if the Duke of Kent School were to leave the Pensions Trust Scheme or had no employees remaining within the scheme, the debt on withdrawal would be £152,139 (2021: £231,566 - see note 15).

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:

	2022	2021
	£	£
Present value of provision	<u>£11,823</u>	<u>£46,430</u>

DUKE OF KENT SCHOOL
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

12. UNRESTRICTED FUNDS

	Balance 1 September 2021 £	Income £	Expenditure £	Balance 31 August 2022 £
Unrestricted fund	<u>£1,005,771</u>	<u>£5,266,923</u>	<u>£5,207,310</u>	<u>£1,065,384</u>

Prior year:

	Balance 1 September 2020 £	Incoming Resources £	Resources Expended £	Balance 31 August 2021 £
Unrestricted fund	<u>£833,679</u>	<u>£5,070,708</u>	<u>£4,898,616</u>	<u>£1,005,771</u>

13. RESTRICTED FUNDS

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. The restricted funds are held in cash.

	Balance 1 September 2021 £	Income £	Expenditure £	Balance 31 August 2022 £
Prize fund	3,449	-	-	3,449
Amenities Fund	<u>14,685</u>	<u>-</u>	<u>-</u>	<u>14,685</u>
	<u>£18,134</u>	<u>£-</u>	<u>£-</u>	<u>£18,134</u>

Prior year

	Balance 1 September 2020 £	Income £	Expenditure £	Balance 31 August 2021 £
Prize fund	3,449	11	11	3,449
Amenities Fund	<u>14,685</u>	<u>23</u>	<u>23</u>	<u>14,685</u>
	<u>£18,134</u>	<u>£34</u>	<u>£34</u>	<u>£18,134</u>

DUKE OF KENT SCHOOL
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

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 from September 2008.

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 2020 the annual rent payable was set at a fixed rate of £157,890 per annum for the five years commencing 1 September 2020. The total annual commitment under all leases is as follows:

	2022	2021
	£	£
Within 1 year	203,096	196,494
1 to 5 years	706,379	747,372
More than 5 years	<u>947,340</u>	<u>1,105,230</u>
	<u>£1,856,815</u>	<u>£2,049,096</u>

15. CONTINGENT LIABILITIES

As detailed in note 11(b), there is a contingent liability according to the latest actuarial estimate of £152,139 (2021: £230,566) 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 will crystallise. The Governors do not therefore feel it appropriate to make any provision for this amount in the accounts. The last full actuarial valuation was carried out in September 2020 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 (2021: £nil), nor were any of expenses incurred by them (2021: £nil).

17. RELATED PARTIES

There are no related party transactions during the period or balances held at year end.

