



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

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2021

Registered number: 3419744

Charity number: 1066420



Winner
Prep school of the year

Saint Ronan's School



CONTENTS of the Financial Statements for the Year Ended 31st July 2021

1. Trustees, Officers and Advisors	3
2. Reference and Administrative Information	4
3. Objects, Public Benefit, Aims and Principal Activities	4
4. Structure, Governance and Management.....	7
5. Principal Risks and Uncertainties.....	8
6. Employment policy	9
7. Reserves and Going Concern.....	9
8. Review of Achievements and Performance	10
9. Financial Review and Results for the Year.....	11
10. Future Plans.....	11
11. Statement of Governors' Responsibilities.....	12
12. Small Companies Provision	12
13. Independent Auditor's Report	13
14. Statement of Financial Activities (Incorporating an Income and Expenditure Account)	16
15. Balance Sheet.....	17
16. Cash Flow Statement.....	18
17. Accounting Policies.....	19
18. Notes to the Financial Statements	22

1. TRUSTEES, OFFICERS AND ADVISORS

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 section 4)				
Dr S P Butler-Gallie MB ChB MRCP (Sabbatical due to COVID-19)		H&S ¹			
Prof K Dacre BA MA PhD Vice-Chairman					
Mr C S Langer BSc, DipARCH RIBA, IHBC			E ²		
Mrs J Lowe BA(Hons, Cert Ed)				C ³	
Mr J C B Lucas MA (Cantab)	F&GP ⁴				R ⁵
Mrs G E Macleay BA (Hons) Elected 21st March 2020				S ⁶	
Mr Dominic Oliver MPhil (Oxon)					R ⁵
Mr N Phillis MA (Oxon)				C ³	
Mr Andrew Ross BA(Hons) Chairman	F&GP ⁴		E ²		R ⁵
Mr B A Seton BSc (Econ)	F&GP ⁴				R ⁵
Mr N P Sladden FCA, DChA, BFP Co-opted September 2020	F&GP ⁴				
Mrs E A Worthington BA PGCE MA (Oxon)				C ³	

¹ Health & Safety, ² Estates, ³ Curriculum, ⁴ Finance & General Purposes, ⁵ Executive Remuneration, ⁶ Safeguarding

Officers (currently and throughout the year)

Mr W Trelawny-Vernon BSc (Hons) Headmaster
 Mr J Buckles MA, PGCE, BSc Bursar and Company Secretary until 21st June 2021
 Mr D Ansell BA (Hons) Bursar and Company Secretary from 21st June 2021

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

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 Directors 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. 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 S17 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 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 (on hold during the pandemic)

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.

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. Unfortunately, this has not been possible this year due to COVID 19 restrictions.

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 31st July 2021 the School gave the following financial support to the families of children attending Saint Ronan's:

Discount	Number of Pupils	2020-21	2019-20
Stanley Harris Scholarship	19	£34,765	£33,351
Means Tested Bursaries	27	£131,040	£110,880
Music Scholarships	10	£7,071	£8,859
Sibling Discounts	18	£45,579	£33,760
Military Discounts	2	£5,244	£3,600

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 Sub-Committee (Headmaster and Chairman of Governors) following an examination of means and a home visit by an independent assessor. In the Summer Term of 2021 there were 27 children receiving such awards, attending the School when they would otherwise have been unable.

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 3.14% 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 £258,179 (2019-20: £275,951). The total cost of such grant making by the School was £481,878 (2019-20: £466,401) 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 £1,193 to school funds in the past year through their fund-raising activities, despite being unable to run their typical calendar of events. 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.

4. 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 Chair of the Governors maintains a matrix of desirable governor skills, which is reviewed at every meeting.

The Chair is elected by the Board and may hold office for up to nine years. The Chairs of principal committees are elected annually, and incumbents may stand for re-election.

After a Governor has served 3 consecutive terms in office, they 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 their 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.

Additional sub-committees are formed to deal with specific issues e.g. Scholarship & Bursary, Staff Remuneration 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 was chaired by Mr JCB Lucas until the Full Board meeting on 24th June 2021, when he retired as Chairman and was replaced by Mr NP Sladden.
- **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. 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 benefits from the generosity of a thriving Parents' Association whose close support we greatly appreciate and gladly acknowledge.

5. PRINCIPAL 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:

- The ongoing effect of the COVID19 Pandemic
- Failure to deliver the School's stated 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, competing offers from other schools, 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

6. EMPLOYMENT POLICY

The School is an equal opportunities employer and 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.

7. RESERVES AND GOING CONCERN

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. At the year-end, St Ronan's had total funds of £3,864,211 all of which, bar £1,926, was unrestricted. This fund is analysed on page 21 and is principally composed of £4,495,321 of fixed assets offset by debt.

The Governors manage and monitor the financial strength and reserves of the School on a termly basis via management accounts and cash flow forecasts prepared by the Bursar. Financial budgets and forecasts have been prepared for the periods to 31st July 2026. A key component of the School's financial performance is pupil numbers, which continued to be at a high level in September 2021 thereby providing a high degree of certainty for a positive financial operating result in the financial year to 31 July 2022. The School holds a cash reserve and an overdraft facility 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. The Governors have set a policy of holding a cash reserve to ensure that there are sufficient liquid funds available to help deal with any unexpected longer term financial stress.

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.

8. REVIEW OF ACHIEVEMENTS AND PERFORMANCE

Pandemic

COVID-19: The School has had to adapt constantly during the year to the changing threat and the accompanying guidance updates from the Government and DfE. This brought about many changes to the operational framework and practices the School employed.

As an early response to the pandemic in 2020, the School increased hygiene awareness for both Pupils and Staff and introduced improvements to handwashing and sanitisation facilities. Enhanced cleaning regimes were maintained, especially to touch points. These measures proved highly successful in limiting the number of COVID-19 cases. Despite the second national lockdown on 5th November 2020, in line with national policy, the School remained open to all pupils and the bubble system was maintained.

Saint Ronan's closed for a second time on 8th January 2021 during the third National Lockdown and moved back to a comprehensive online distance learning model. However, the school remained open to Key Worker children as before, as well as operating the Nursery. A hybrid model of home-working and in-school teaching was adopted, along with the introduction of on-site Lateral Flow Testing. Furlough and flex-furlough models were readopted.

From the School's reopening on 8th March 2021, all National guidelines were followed, and the School has operated safely within the permitted framework, whilst endeavouring to offer the most enriching curriculum possible. This was further enabled by the easing of restrictions via the Government's COVID Road Map during the summer months.

Throughout the period 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.

Operational Performance of the School

As extraordinary as the COVID challenge has been, the year has been full of positive results across a broad spectrum of School life. Seventy children left the School and secured places to twenty-one different senior schools, amassing twenty-eight scholarships. Highlights included stunning ABRSM results by the musicians and the startlingly good virtual concerts they gave us; Year 3 produced their hilarious Roald Dahl playlets and several cricket teams had unbeaten seasons, including the boys' 1st XI.

As with the previous year, a great number of regular events and enrichment activities were unable to take place in the usual way. Where possible, events were held online or streamed. Despite this, the school has continued to offer the best educational experience in the circumstances, and this was further supported by the School's excellent digital provision. Pupil numbers grew during the year and the School closed the year with record numbers, validating the approach the School has adopted and leaves us confident that the School is in an excellent place.

The icing on the cake was to be recognised as the 'Prep School of the Year' by the TES. We were immensely proud to have carried off the 'double' of the gold standard awards - the TES in 2021 and the Tatler in 2018.

The Governors wish to thank the Headmaster and all staff for their incredible effort during the year, and the pupils and parents for the way they have supported the School through this turbulent period.

9. FINANCIAL REVIEW AND RESULTS FOR THE YEAR

In response to the COVID Lockdown the School reduced Pre-Prep and Prep School fees by 12.5% for the Spring 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 Spring Term. Conversely, the closure of the School site resulted in reduced operating costs and the Job Retention Scheme grant allowed the School to furlough 51 Staff. Some 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 to generate an operating surplus (after depreciation) of £116,084 for the full year to 31 July 2021. This surplus was due to the careful managing of operating costs, a reduction in the planned capital spend and £129,915 received in Coronavirus Job Retention Scheme grant.

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.

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

- Supported 210 jobs both within the School and in the School's supply chain
- Generated £1.4 million of tax payments to the Exchequer

10. FUTURE PLANS

The School has now adopted the 2021-26 Development Plan, which 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

11. STATEMENT OF GOVERNORS' RESPONSIBILITIES

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).

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:

- Following advice from the School's accountants, to elect 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.

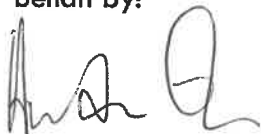
So far as each of the Governors is aware at the time the report is approved:

- 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 2nd December 2021 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 (Hawkhurst) for the year ended 31 July 2021 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 2021 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

In auditing the financial statements, we have concluded that the trustees' 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 trustees with respect to going concern are described in the relevant sections of this report.

Conclusions relating to going concern

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 Charity 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Governors' 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 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 included within the Governors' Report have 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 Governors' 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
- 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; or
- 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.

Responsibilities of Trustees for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 12, the Governors (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission and the Independent Schools Inspectorate, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries and management bias in making accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of Governors' meetings in the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

Use of our Report

This report is made solely to the charitable company's members, 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 members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 22 March 2022

St Ronan's School (Hawkhurst)
Statement of Financial Activities for the year ended 31st July 2021

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

				Total	Total
	Note	Unrestricted £	Restricted £	2021 £	(Restated) 2020 £
INCOME FROM:					
Donations and Grants	1	155,052	-	155,052	364,564
Other trading activities					
School facility lettings		7,955	-	7,955	8,435
Charitable activities					
Provision of education	2	6,726,792	-	6,726,792	5,997,661
Ancillary trading	3	168,989	-	168,989	202,640
TOTAL		7,058,788	-	7,058,788	6,573,300
EXPENDITURE ON:					
Raising funds:					
Finance costs	7	78,272	-	78,272	97,642
Charitable expenditure:					
Provision of education		6,864,432	-	6,864,432	6,236,392
TOTAL		6,942,704	-	6,942,704	6,334,034
NET MOVEMENT IN FUNDS		116,084	-	116,084	239,266
Total funds brought forward		3,926,327	1,926	3,928,253	3,688,987
Total funds carried forward	16	4,042,411	1,926	4,044,337	3,928,253

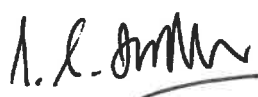
The accompanying notes form part of these accounts.

15. BALANCE SHEET

	Note	2021 £	2020 (restated) £
FIXED ASSETS			
Tangible fixed assets	10	4,495,321	4,679,778
CURRENT ASSETS			
Stock		13,387	30,481
Debtors	11	525,170	365,871
Cash at bank and in hand		1,067,284	719,191
		<u>1,605,841</u>	<u>1,115,543</u>
CREDITORS: amounts falling due within one year	12	(1,109,911)	(953,528)
NET CURRENT ASSETS		<u>495,930</u>	<u>162,015</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,991,251	4,841,793
CREDITORS: amounts falling due after more than one year	13	(946,914)	(913,540)
NET ASSETS		<u>4,044,337</u>	<u>3,928,253</u>
FUNDS			
Unrestricted funds		4,042,411	3,926,327
Restricted funds		1,926	1,926
TOTAL FUNDS	16	<u>4,044,337</u>	<u>3,928,253</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 and authorised for issue on 2nd December 2021 and signed on its behalf by:



Mr N P Sladden
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 31st July 2021

16. CASH FLOW STATEMENT

		2021	2020
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	(A)	566,101	499,585
Cash flows from investing activities:			
Payments for tangible fixed assets	(255,207)	(1,196,448)	
Net cash used in investing activities		(255,207)	(1,196,448)
Cash flows from financing activities:			
Increase in borrowings	48,163	423,570	
Interest payable	(10,964)	(12,370)	
Net cash used in financing activities		37,199	412,200
Change in cash and cash equivalents in the reporting period		348,093	(285,663)
Cash and cash equivalents at the beginning of the reporting period		719,191	1,004,854
Cash and cash equivalents at the end of the reporting period	(B)	1,067,284	719,191

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

	2021	2020
	£	£
Net income for the reporting period		
(as per the statement of financial activities)	346,084	239,266
Adjustments for:		
Depreciation charges	439,664	422,490
Interest payable	10,964	12,370
Decrease/(increase) in stocks	17,094	(4,418)
(Increase)/decrease in debtors	(159,299)	45,974
Decrease in creditors	(88,406)	(216,097)
Net cash provided by operating activities	566,101	499,585

B. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	1,067,284	719,191
Total cash and cash equivalents	1,067,284	719,191

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) (2nd 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 1st 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 AND GRANTS

Donations are accounted for as soon as their amount and receipt are virtually certain. Amounts claimed under the Coronavirus Job Retention Scheme (CJRS) is accounted for in the period to which the claim relates.

GIFTS IN KIND

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

St Ronan's School (Hawkhurst)
Accounting Policies for the year ended 31st July 2021

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 Charity 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 Charity operates a defined contribution pension scheme for non-teaching staff. The assets of the scheme are held separately from those of the Charity. 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 Awards Committee and are allocated on a means- test basis and are accounted for in the period to which the award relates.

St Ronan's School (Hawkhurst)
Accounting Policies for the year ended 31st July 2021

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.

PRIOR YEAR RESTATEMENT

The prior year accounts have been restated as a result of a change of accounting policy. In previous years an accrual was made for August salaries as at 31 July on the basis that the school had a liability to pay those salaries to staff members even though the school year didn't start until September. The Governors have reviewed the judgement and decided to reverse that decision and will now account for the salaries as they are incurred. The effect of the change was to release an accrual which amounted to £230k.

18. NOTES TO THE FINANCIAL STATEMENTS

1. DONATIONS INCOME	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Donations	25,137	-	25,137
Grants received under the Coronavirus Job Retention Scheme	129,915	-	129,915
Appeals	-	-	-
Total	155,052	-	155,052

DONATIONS INCOME – PRIOR YEAR	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Donations	106,030	8,097	114,127
Grants received under the Coronavirus Job Retention Scheme	250,287	-	250,287
Appeals	150	-	150
Total	356,467	8,097	364,564

2. FEES RECEIVABLE	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Gross fees	7,181,794	6,464,062
Less: Bursaries	(131,040)	(143,066)
Music Scholarships	(7,071)	(8,859)
Sibling discounts	(45,579)	(33,760)
Staff discounts	(258,179)	(275,951)
Special discounts	(13,133)	(4,765)
Total fees receivable	6,726,792	5,997,661

Staff discounts and bursaries were awarded to 22 and 32 (2020: 23 and 32) individuals respectively during the year.

3. ANCILLARY TRADING	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Ancillary trading income and costs relate to the provision of extra-curricular activities, fees insurance and registration fees.		
Sale of extras	165,774	179,453
Fees insurance	2,618	3,904
Registration fees	3,340	2,750
Miscellaneous	(2,743)	16,533
	168,989	202,640

St Ronan's School (Hawkhurst)
Notes to the Financial Statements the year ended 31st July 2021

4. EXPENDITURE

	2021	2020
	£	£
Charitable expenditure included:		
Operating lease rentals - office equipment	25,200	12,600
- plant and machinery	80,998	34,930
- land and buildings	194,760	194,760
Depreciation - owned assets	439,664	422,889
Auditor's remuneration	18,420	17,280

5. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	3,693,361	3,393,961
Social security costs	363,785	319,971
Pension contributions	641,230	583,024
	4,698,376	4,296,956

	No.	No.
The average number of employees in the year was:		
Teaching – Full time	58	60
– Part time	27	23
Domestic, including grounds and maintenance	31	15
Administration	13	11
	129	109

The number of employees whose emoluments exceeded £60,000 were:	2021	2020
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

The Charity makes contributions to various pension schemes. The assets of these schemes are held separately from those of the Charity in independently administered funds. The pension costs charge represents contributions payable by the Charity to the funds and amounted to £641,230 (2020: £583,024).

No Governor received any emoluments during either period.

Governors' expenses reimbursed in the period totalled £nil (2020: £nil)

Key Management Personnel were paid an aggregate remuneration of £649,025 (2020: £803,668).

St Ronan's School (Hawkhurst)
Notes to the Financial Statements the year ended 31st July 2021

6. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Depreciation £	Other £	Total 2021 £
Cost of raising funds:				
Finance costs (note 7)	-	-	78,272	78,272
Charitable activities:				
Teaching costs	3,449,393	-	286,527	3,735,920
Welfare costs	68,467	-	518,228	586,695
Premises costs	380,316	350,057	450,860	1,181,233
Support costs (note 8)	800,200	89,607	470,777	1,360,584
Total expenditure	4,698,376	439,664	1,804,664	6,942,704

ANALYSIS OF TOTAL EXPENDITURE – PRIOR YEAR

	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
Total expenditure	4,296,956	422,889	1,614,189	6,334,034

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

7. FINANCE COSTS

	2021 £	2020 £
Bank charges	8,255	12,066
Bank loan interest	10,964	12,370
Bad and doubtful debts	59,053	73,206
	78,272	97,642

8. SUPPORT COSTS

	2021 £	2020 £
Staff costs	800,200	527,188
Office costs	448,697	353,562
Depreciation	89,607	102,811
Governance costs (Note 9)	22,080	23,428
	1,360,584	1,006,989

St Ronan's School (Hawkhurst)
Notes to the Financial Statements the year ended 31st July 2021

9. GOVERNANCE COSTS	2021	2020
	£	£
Audit and preparation of statutory financial statements	18,420	17,280
Governors' insurance	-	3,500
Meeting costs	3,660	2,648
	<u>22,080</u>	<u>23,428</u>

10. TANGIBLE FIXED ASSETS

	Assets in the course of construction	Property improvements	Sports facilities	Furniture and equipment	Technology	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
1 August 2020	49,258	5,053,775	751,608	1,055,939	725,843	30,958	7,667,381
Additions	123,250	43,045	-	66,930	21,982	-	255,207
Transfers	(27,148)	24,200	-	2,948	-	-	-
31 July 2021	<u>145,360</u>	<u>5,121,020</u>	<u>751,608</u>	<u>1,125,817</u>	<u>747,825</u>	<u>30,958</u>	<u>7,922,588</u>
Depreciation							
1 August 2020	-	1,437,503	286,614	692,852	564,339	6,295	2,987,603
Charge for the year	-	205,222	23,570	120,027	89,607	1,238	439,664
31 July 2021	<u>-</u>	<u>1,642,725</u>	<u>310,184</u>	<u>812,879</u>	<u>653,946</u>	<u>7,533</u>	<u>3,427,267</u>
Net Book Value							
31 July 2021	<u>145,360</u>	<u>3,478,295</u>	<u>441,424</u>	<u>312,938</u>	<u>93,879</u>	<u>23,425</u>	<u>4,495,321</u>
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>

Included within property improvements is a leasehold premium at a cost of £150,000 (2020: £150,000) and accumulated depreciation of £150,000 (2020: £144,359).

11. DEBTORS	2021	2020
	£	£
Fees	321,690	162,076
Other debtors	23,315	31,644
Prepayments and accrued income	180,165	172,151
	<u>525,170</u>	<u>365,871</u>

St Ronan's School (Hawkhurst)
Notes to the Financial Statements the year ended 31st July 2021

12. CREDITORS: amounts falling due within one year	2021	2020 (restated)
	£	£
Bank loans and overdrafts	404,068	285,380
Trade creditors	132,718	70,667
Other creditors	123,903	108,113
Other taxes and social security	98,369	80,109
Accruals and deferred income	350,853	409,259
	<u>1,109,911</u>	<u>953,528</u>

Extend line

Included within accruals and deferred income falling due within one year is an amount of £322,732 (2020: £350,362) relating to fees paid in advance by parents.

Included within other creditors are amounts totalling £55,845 (2020: £56,572) in respect of outstanding pension contributions.

13. CREDITORS: amounts falling due after more than one year	2021	2020
	£	£
Bank loans	291,566	362,091
Other creditors	199,850	201,200
Accruals and deferred income	455,498	350,249
	<u>946,914</u>	<u>913,540</u>

Included in accruals and deferred income is £455,498 (2020: £350,249) 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 18th November 2026 and bear interest at 3.25% per annum above the Bank's Managed LIBOR Base Rate.

Analysis of debt maturity	2021	2020
	£	£
Amounts payable:		
In one year or less or on demand	658,011	81,143
In more than one year but not more than two years	256,600	81,143
Between two and five years	575,303	243,429
After five years	155,012	37,518
	<u>1,644,926</u>	<u>443,233</u>

Analysis of deferred income	2021	2020
	£	£
Amounts brought forward	700,611	958,988
Utilised during the year	(322,732)	(350,362)
Amounts deferred during the year	(245,113)	(91,985)
	<u>778,230</u>	<u>700,611</u>

14. OTHER FINANCIAL COMMITMENTS

At 31 July 2021 the School had annual commitments under non-cancellable operating leases for equipment as follows:

	2021		2020	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring				
Within 1 year	86,760	33,069	194,760	47,530
Between 2 - 5 years	224,130	52,249	337,890	155,330
	<u>310,890</u>	<u>85,318</u>	<u>532,650</u>	<u>202,860</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 £511,872 (2020: £462,875) and at the year-end £nil (2020 - £nil) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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 cost cap mechanism review is 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.

St Ronan's School (Hawkhurst)
Notes to the Financial Statements the year ended 31st July 2021

16. FUNDS

	31 July 2020 (restated) £	Income £	Expenditure £	31 July 2021 £
Unrestricted				
- Accumulated reserves	3,926,327	7,058,788	(6,942,704)	4,042,411
RESTRICTED				
Fountain	1,926	-	-	1,926
Total restricted funds	<u>1,926</u>	<u>-</u>	<u>-</u>	<u>1,926</u>
Total funds	<u>3,928,253</u>	<u>7,058,788</u>	<u>(6,942,704)</u>	<u>4,044,337</u>

FUNDS – PRIOR YEAR

	31 July 2019 (restated) £	Income £	Expenditure £	31 July 2020 (restated) £
Unrestricted				
- Accumulated reserves	3,683,487	6,565,203	(6,322,363)	3,926,327
Restricted				
Fountain	5,500	8,097	(11,671)	1,926
Total restricted funds	<u>5,500</u>	<u>8,097</u>	<u>(11,671)</u>	<u>1,926</u>
Total funds	<u>3,688,987</u>	<u>6,573,300</u>	<u>(6,334,034)</u>	<u>3,928,253</u>

Restricted funds represent gifts to the School for the maintenance of the terrace fountain.

17. ALLOCATION OF NET ASSETS

	Fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted funds	-	1,926	-	1,926
Unrestricted funds	4,495,321	494,004	(946,914)	4,042,411
	<u>4,495,321</u>	<u>495,930</u>	<u>(946,914)</u>	<u>4,044,337</u>

ALLOCATION OF NET ASSETS – PRIOR YEAR

	Fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted funds	-	1,926	-	1,926
Unrestricted funds	4,679,778	160,089	(913,540)	3,926,327
	<u>4,679,778</u>	<u>162,015</u>	<u>(913,540)</u>	<u>3,928,253</u>

St Ronan's School (Hawkhurst)

Notes to the Financial Statements the year ended 31st July 2021

18. RELATED PARTY TRANSACTIONS

Stephen Langer, a Governor of the school, provided architectural services in relation to the Powerhouse Development to a value of £nil (2020: £3,520). The Powerhouse Development completed in January 2021.

There were no other related party transactions requiring disclosure in either the current or prior year.