



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

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 ST JULY 2023

Registered number: 3419744

Charity number: 1066420

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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)					
Mr N A Beart – Elected 18 March 23	F&GP ⁴					
Dr S P Butler-Gallie MB ChB MRCP – Retired 18 March 23		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 – Retired 18 March 2023						
Mrs G E Macleay BA (Hons)					S ⁶	
Mr D Oliver MPhil						R ⁵
Mr N Phillis MA				C ³		
Mr A Ross BA (Hons) Chairman	F&GP ⁴		E ²			R ⁵
Mr B A Seton BSc (Econ)	F&GP ⁴					
Mr N P Sladden FCA, DChA, BFP	F&GP ⁴					R ⁵
Ms K J West - Elected 18 March 23		H&S ¹				
Mrs E A Worthington BA PGCE MA				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 D Ansell BA (Hons) Bursar and Company Secretary

Professional Advisors

Auditors:

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

Bankers:

NatWest, Cranbrook Branch, High Street, Cranbrook, Kent, TN17 3EJ
 Svenska Handelsbanken AB, 7-9 Church Road, Tunbridge Wells, TN1 1HT

Solicitors:

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.

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.

The School actively promotes links with local charities and state schools which also helps the pupils at Saint Ronan's to understand the social context of their education. Tom Elliott, Head of Community Engagement, coordinates the School's activities with the local community.

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.

Since the end of COVID-19, the School has actively sought to renew our efforts and strengthen the links with local primary schools and community groups (see Section 8).

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 2023 the School gave the following financial support to the families of children attending Saint Ronan's:

Discount	Number of Pupils	2022-23	2021-22
Stanley Harris Scholarship	14	£30,428	£29,385
Means Tested Bursaries	33	£213,563	£212,804
Music Scholarships	9	£5,507	£6,514
Sibling Discounts	23	£59,324	£53,050
Military Discounts	0	£0	£0

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, Bursar and Chairman of Governors) following an examination of means and a home visit by an independent assessor. In the Summer Term of 2023 there were 33 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 2.7% 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/are 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 £271,864 (2021-22: £222,999). The total cost of such grant making by the School was £580,686 (2021-22: £513,200) in reduced fee income.

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

Volunteers

The Friends of Saint Ronan's (FOR, the School's Parents' Association) contributed £8,206 to school funds in the past year through their fund-raising activities. The Governors would like to take this opportunity to thank all those parents who gave so freely of their time in the past year. Their continued support is highly valued. Notably, FOR also raised over £50,000 for Ukrainian refugees and for Childhood Leukaemia research through a truly memorable a charity ball.

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

The Chairman is elected by the Board and may hold office for up to nine years. The 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 or she 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.

All Governors completed Safeguarding training in June 2023, whilst some Governors also took advantage during the year of the opportunity to undertake additional 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 at least three times a year, are legally responsible for the overall management and control of the School. In addition, there are five permanent sub-committees listed below. 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.

- **Finance and General Purposes Committee (F&GP)** monitors, evaluates, advises and makes recommendations to the Full Board on all matters relating to the finances of the School. The Committee is chaired by Mr 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 was chaired by Dr S Butler-Gallie until the AGM, and then by Ms K West.
- **Safeguarding and Pastoral Care Committee** monitors, advises 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.

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

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 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 ISBA and the AGBIS, which are constituents of the Independent Schools Council (ISC). It is also a member of the BSA. The Head is an active member of the Independent Association of Preparatory Schools (IAPS). These organisations exist to promote and maintain high standards generally in independent education.

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 mapped and discussed, with steps taken to minimise their occurrence and potential impact on the continued success of the School. The risk map is formally reviewed annually.

The principal short-term risks identified are:

- Financial uncertainty caused by economic, political and geo-political events, namely the addition of VAT to School fees and the loss of MBRR
- The re-emergence of the COVID19 Pandemic
- The movement of children to local Grammar Schools with the reduction in entry age from 13 years to 11 years.
- Rising input costs

The ever-present risks identified are:

- Failure to deliver the School's stated aims
- Failure to attract and retain high quality staff
- 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; for example, flood or fire
- Personal Health and Safety risks, such as a major accident involving the School's pupils and/or staff
- 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, tax or charity regulations.

The key controls used by the Governors include:

- Detailed risk mapping
- 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

A proactive approach to risk is maintained and the Governors review the risk map regularly with the Head and Bursar.

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 and of 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 £3,680,998 all of which was unrestricted (2022: £3,665,277). These funds are analysed on page 29 and are principally composed of £4,433,979 (2022: £4,544,830) 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 2027. A key component of the School's financial performance is pupil numbers, which continued to be at a high level in September 2023 thereby providing a high degree of certainty for a positive financial operating result in the financial year to 31 July 2024. 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.

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

Operational Performance of the School

Free of the shackles of the COVID-19 pandemic, the School enjoyed a wonderful year of fun, exploration, and creativity. The children revelled in a full calendar of events throughout the year, whether that be trips to the theatre, beach school, sports matches or guest speakers returning to the Great Space.

The academic results have continued to impress this year and the 63 children who left us to their senior schools departed with a record haul of 38 scholarships won.

We were delighted to have been named the School with 'The Best Sense of School Spirit' by Muddy Stilettos, as well as being highly commended for our 'Experiential Learning'. It was also a huge credit to see the Headmaster shortlisted for the 'TES Headteacher of the Year (Independent) Award'. The School has also been shortlisted for both the 'Kindness' and 'Animal Support' awards by the School House Magazine and finally, a real honour to have been shortlisted for the Independent School of the Year awards as a finalist for 'Prep School of the Year'. Whilst awards and nominations themselves are not the School's focus, the recognition that the School has achieved on a national stage has been remarkable as speaks volumes to the dedication and hard work of its staff. And this is seen and appreciated by anyone visiting the School.

Public Benefit

One thing that Saint Ronan's has always excelled at is rallying the support of our staff, pupils and their parents to raise funds for charities and this year our commitment to good causes remains as strong as ever. As well as an impressive £6,000 raised through the sponsored walk in June, further fundraising activities continued through the course of the year and over £2,500 was raised at a remarkably warm and sunny Autumn Fair. The charities supported this year have included Macmillan, Leukaemia Care, Schools in Ukraine, Versus Arthritis, the Big Cat Sanctuary and Battersea Dogs' Home. A charity that we have supported this year is Books2Africa, with 7 boxes of unused Maths textbooks sent to a very deserving cause.

Closer to home, the School has continued to help local primary schools with their transport needs whenever we can, taking local children to the cinema, swimming lessons, and to Saint Ronan's for sessions with our IT and Arts departments. Last June also saw the inaugural Tongswood Cricket Festival, a competition for five local primary schools and a team of our own Year 6 pupils. This year, St Michael's Primary was triumphant in the round robin contest. In the week prior to the contest, two of our sports staff went to Hawkhurst Primary School for a training session, as although they were very keen to take part in the competition, owing to a lack of facilities, most of the children had never played cricket, so an urgent introductory course was required! An excellent response was received to our plea for donations to our Harvest Festival appeal, and in the first week after Half Term, our Year 3 classes again visited the Food Banks in Hastings and Paddock Wood to deliver the produce that we have safely gathered in. It was a busy and virtuous time for that particular year, as they also went on trips in December to sing carols and bring festive cheer to the residents of three local care homes: Hawkhurst House, Hartley House and Larchmere.

FOR's Charity Circus Ball in October was also a real highlight, enjoyed by nearly 400 guests. The effort that went into its running was monumental and it proved a great success, providing valuable funds for two worthy charities.

9. FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School started the year with very strong pupil numbers, which afforded a good deal of financial stability. This has been tested during the year with the ongoing energy crisis, supply chain issues, other impacts of the war in Ukraine and the consequent cost of living crisis.

Despite these factors, the School was able to maintain solid fiscal control and as a result of suitable budgetary policy and led to an operating surplus (after depreciation) of £15,721 for the full year to 31 July 2023. This represents a good year in challenging circumstances.

During the course of the year the School continued to offer forbearance to a number of parents whose income had been disrupted primarily due to the pandemic and the subsequent cost of living crisis.

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

During the year teachers were consulted on remaining within the Teachers' Pension Scheme (TPS), the outcome of which was the decision to begin a phased withdrawal whilst operating a parallel Defined Contribution pension scheme. This was never going to be an easy discussion with teachers, but the School was pleased to see that all teachers signed up to the proposal without exception or disruption.

10. FUTURE PLANS

The School has now adopted the 2023-28 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 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 (Coach House) to provide 2 further state-of-the-art laboratories
- Further improvements to the School Farm
- Improvements in the boarding provision
- The construction of a new dining room (planning permission granted in May 2023)
- Provision of increased music and pre-prep teaching space

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.

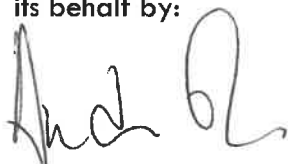
So far as each of the Governors is aware at the time the report is approved:

- 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 30th November 2023 and signed on its behalf by:



Andrew Ross,
Chairman

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

Opinion

We have audited the financial statements of St Ronan's School (Hawkhurst) for the year ended 31 July 2023 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 2023 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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: 14 December 2023

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

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
INCOME FROM:					
Donations and Grants	1	1,299	-	1,299	2,834
Other trading activities					
School facility lettings		14,347	-	14,347	12,957
Charitable activities					
Provision of education	2	7,376,770	-	7,376,770	6,930,554
Ancillary trading	3	341,427	-	341,427	228,007
TOTAL		<u>7,733,843</u>	<u>-</u>	<u>7,733,843</u>	<u>7,174,352</u>
EXPENDITURE ON:					
Raising funds:					
Finance costs	7	26,758	-	26,758	34,806
Charitable expenditure:					
Provision of education		7,691,364	-	7,691,364	7,518,606
TOTAL		<u>7,718,122</u>	<u>-</u>	<u>7,718,122</u>	<u>7,553,412</u>
NET MOVEMENT IN FUNDS		<u>15,721</u>	<u>-</u>	<u>15,721</u>	<u>(379,060)</u>
Total funds brought forward		<u>3,665,277</u>	<u>-</u>	<u>3,665,277</u>	<u>4,044,337</u>
Total funds carried forward	16	<u>3,680,998</u>	<u>-</u>	<u>3,680,998</u>	<u>3,665,277</u>


The accompanying notes form part of these accounts.

15. BALANCE SHEET

		2023	2022
	Note	£	£
FIXED ASSETS			
Tangible fixed assets	10	4,433,979	4,544,830
CURRENT ASSETS			
Stock		22,814	22,814
Debtors	11	443,767	409,877
Cash at bank and in hand		843,100	923,593
		<u>1,309,681</u>	<u>1,356,284</u>
CREDITORS: amounts falling due within one year	12	(1,368,126)	(1,167,603)
NET CURRENT ASSETS		<u>(58,445)</u>	<u>188,681</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,375,534	4,733,511
CREDITORS: amounts falling due after more than one year	13	(694,536)	(1,068,234)
NET ASSETS		<u>3,680,998</u>	<u>3,665,277</u>
FUNDS			
Unrestricted funds		3,680,998	3,665,277
Restricted funds		-	-
TOTAL FUNDS	16	<u>3,680,998</u>	<u>3,665,277</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 30th November 2023 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.

16. CASH FLOW STATEMENT

		2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	(A)	309,198	395,279
Cash flows from investing activities:			
Payments for tangible fixed assets		(284,377)	(478,032)
Net cash used in investing activities		(284,377)	(478,032)
Cash flows from financing activities:			
Repayment of borrowings		(91,118)	(46,781)
Interest payable		(14,196)	(14,157)
Net cash used in financing activities		(105,314)	(60,938)
Change in cash and cash equivalents in the reporting period		(80,493)	(143,691)
Cash and cash equivalents at the beginning of the reporting period		923,593	1,067,284
Cash and cash equivalents at the end of the reporting period	(B)	843,100	923,593

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

	2023 £	2022 £
Net income for the reporting period		
(as per the statement of financial activities)	(14,716)	(379,060)
Adjustments for:		
Depreciation charges	395,228	428,523
Interest payable	14,196	14,157
Decrease/(increase) in stocks	-	(9,427)
(Increase)/decrease in debtors	(33,890)	115,293
Decrease in creditors	(82,057)	225,793
Net cash provided by operating activities	309,198	395,279

B. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	843,100	923,593
Total cash and cash equivalents	843,100	923,593

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 December 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.

GIFTS IN KIND

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

EXPENDITURE

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of raising funds are those costs associated with generating incoming resources from all sources other than from charitable activities.

The 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.

TANGIBLE FIXED ASSETS

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

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

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

FINANCIAL INSTRUMENTS

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

DEBTORS

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

CASH AT BANK AND IN HAND

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

CREDITORS AND PROVISIONS

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

STOCKS

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

RESERVES

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

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

18. NOTES TO THE FINANCIAL STATEMENTS

1. DONATIONS INCOME	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Donations	1,299	-	1,299
Total	1,299	-	1,299
 DONATIONS INCOME – PRIOR YEAR	 Unrestricted Funds £	 Restricted Funds £	 Total 2022 £
Donations	2,834	-	2,834
Total	2,834	-	2,834
 2. FEES RECEIVABLE	 Unrestricted funds 2023 £	 Unrestricted funds 2022 £	
Gross fees	7,980,084	7,443,754	
Less: Bursaries	(213,567)	(212,804)	
Music Scholarships	(5,507)	(6,514)	
Sibling discounts	(59,324)	(53,050)	
Staff discounts	(271,864)	(222,999)	
Special discounts	(22,614)	(17,833)	
Stanley Harris scholarship	(30,438)	-	
 Total fees receivable	 7,376,770	 6,930,554	
 Staff discounts and bursaries were awarded to 21 and 29 (2022: 19 and 35) individuals respectively during the year.			
 3. ANCILLARY TRADING			
Ancillary trading income and costs relate to the provision of extra-curricular activities, fees insurance and registration fees.			
	Unrestricted funds 2023 £	Unrestricted funds 2022 £	
Sale of extras	323,626	219,658	
Fees insurance	-	-	
Registration fees	2,745	2,500	
Miscellaneous	15,056	5,849	
	341,427	228,007	

4. EXPENDITURE

	2023	2022
	£	£
Charitable expenditure included:		
Operating lease rentals - office equipment	28,205	11,680
- plant and machinery	48,917	42,089
- land and buildings	29,710	30,117
Depreciation - owned assets	395,228	428,523
Auditor's remuneration	26,308	24,200

5. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	4,135,744	4,024,548
Social security costs	412,761	400,447
Pension contributions	723,476	694,914
	5,271,981	5,119,909

	No.	No.
The average number of employees in the year was:		
Teaching – Full time	58	58
– Part time	25	26
Domestic, including grounds and maintenance	36	36
Administration	10	12
	129	132

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

	2023	2022
£60,001 - £70,000	2	3
£70,001 - £80,000	1	2
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
£130,001 - £140,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	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 £723,475 (2022: £694,914).

No Governor received any emoluments during either period.

Governors' expenses reimbursed in the period totalled £nil (2022: £nil)

Key Management Personnel were paid an aggregate remuneration of £858,833 (2022: £821,955).

6. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Depreciation £	Other £	Total 2023 £
Cost of raising funds:				
Finance costs (note 7)	-	-	26,758	26,758
Charitable activities:				
Teaching costs	3,863,895	-	347,592	4,211,487
Welfare costs	109,725	-	600,622	710,347
Premises costs	465,471	333,552	512,749	1,311,772
Support costs (note 8)	832,890	61,676	563,192	1,457,758
Total expenditure	5,271,981	395,228	2,050,913	7,718,122

ANALYSIS OF TOTAL EXPENDITURE – PRIOR YEAR

	Staff costs £	Depreciation £	Other £	Total 2022 £
Cost of raising funds:				
Finance costs (note 7)	-	-	34,806	34,806
Charitable activities:				
Teaching costs	3,712,475	-	364,806	4,077,281
Welfare costs	105,503	-	578,369	683,872
Premises costs	495,172	349,744	547,106	1,392,022
Support costs (note 8)	806,759	78,779	479,893	1,365,431
Total expenditure	5,119,909	428,523	2,004,980	7,553,412

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

7. FINANCE COSTS

	2023 £	2022 £
Bank charges	12,562	20,649
Bank loan interest	14,196	14,157
Bad and doubtful debts	-	-
	26,758	34,806

8. SUPPORT COSTS

	2023 £	2022 £
Staff costs	832,890	806,759
Office costs	535,514	454,342
Depreciation	61,676	78,779
Governance costs (Note 9)	27,678	25,551
	1,457,758	1,365,431

9. GOVERNANCE COSTS

	2023	2022
	£	£
Auditor's remuneration – statutory audit	15,785	14,640
Auditor's remuneration – other costs	10,523	9,560
Meeting costs	1,370	1,351
	<u>27,678</u>	<u>25,551</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 2022	337,723	5,224,606	759,146	1,219,638	828,549	30,958	8,400,620
Additions	44,980	110,454	-	31,888	97,054	-	284,376
31 July 2023	<u>382,703</u>	<u>5,335,060</u>	<u>759,146</u>	<u>1,251,526</u>	<u>925,604</u>	<u>30,958</u>	<u>8,684,997</u>
Depreciation							
1 August 2022	-	1,846,283	334,195	933,816	732,725	8,771	3,855,790
Charge for the year	-	212,587	24,325	95,402	61,676	1,238	395,226
31 July 2023	<u>-</u>	<u>2,058,870</u>	<u>358,520</u>	<u>1,029,218</u>	<u>794,401</u>	<u>10,010</u>	<u>4,255,547</u>
Net Book Value							
31 July 2023	<u>382,703</u>	<u>3,276,190</u>	<u>400,626</u>	<u>222,308</u>	<u>131,203</u>	<u>20,948</u>	<u>4,433,974</u>
31 July 2022	<u>337,723</u>	<u>3,378,323</u>	<u>424,951</u>	<u>285,822</u>	<u>95,824</u>	<u>22,187</u>	<u>4,544,830</u>

Included within property improvements is a leasehold premium at a cost of £150,000 (2022: £150,000) and accumulated depreciation of £150,000 (2022: £150,000).

11. DEBTORS	2023	2022
	£	£
Fees	266,551	263,369
Other debtors	24,217	11,496
Prepayments and accrued income	152,999	135,012
	<u>443,767</u>	<u>409,877</u>

12. CREDITORS: amounts falling due within one year	2023	2022
	£	£
Bank loans and overdrafts	318,899	310,970
Trade creditors	252,584	180,749
Other creditors	110,178	126,415
Other taxes and social security	109,608	104,614
Accruals and deferred income	576,857	444,855
	<u>1,368,126</u>	<u>1,167,603</u>

Included within accruals and deferred income falling due within one year is an amount of £555,041 (2022: £425,780) relating to fees paid in advance by parents.

Included within other creditors are amounts totalling £86,141 (2022: £83,889) in respect of outstanding pension contributions.

13. CREDITORS: amounts falling due after more than one year	2023	2022
	£	£
Bank loans	190,673	289,720
Other creditors	194,603	200,100
Accruals and deferred income	309,260	578,414
	<u>694,536</u>	<u>1,068,234</u>

Included in accruals and deferred income is £309,260 (2022: £578,414) of fees paid in advance by parents, which are repayable after one year, but before five years.

The bank loan is repayable by equal monthly instalments until 11th April 2027 at a fixed rate of 3.86% per annum.

Analysis of debt maturity	2023	2022
	£	£
Amounts payable:		
In one year or less or on demand	318,899	310,970
In more than one year but not more than two years	77,054	77,054
Between two and five years	113,619	212,666
After five years	-	-
	<u>509,572</u>	<u>600,690</u>

14. OTHER FINANCIAL COMMITMENTS

At 31 July 2023 the School had annual commitments under non-cancellable operating leases for equipment as follows:

	2023		2022	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring				
Within 1 year	27,905	85,507	31,206	50,351
Between 2 - 5 years	43,391	153,229	65,177	112,473
	<u>71,296</u>	<u>238,736</u>	<u>96,383</u>	<u>162,824</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 £567,739 (2022: £569,853) and at the year-end £nil (2022 - £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%. In October 2023, the government has announced that the employer contribution rate will increase to 28.86% from April 2024.

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.

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 was certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and following a public consultation in 2021, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations were completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has indicated that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation 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.

16. FUNDS

	31 July 2022	Income	Expenditure	31 July 2023
	£	£	£	£
Unrestricted				
- Accumulated reserves	3,665,277	7,733,843	(7,718,122)	15,721
Total funds	3,665,277	7,733,843	(7,718,122)	15,721

FUNDS – PRIOR YEAR

	31 July 2021	Income	Expenditure	Transfers	31 July 2022
	£	£	£	£	£
Unrestricted funds	4,042,411	7,174,352	(7,553,412)	1,926	3,665,277
Restricted					
Fountain	1,926	-	-	(1,926)	-
Total restricted funds	1,926	-	-	(1,926)	-
Total funds	4,044,337	7,174,352	(7,553,412)	-	3,665,277

17. ALLOCATION OF NET ASSETS

	Fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted funds	-	-	-	-
Unrestricted funds	4,433,979	(58,445)	(694,536)	3,680,998
	<u>4,433,979</u>	<u>(58,445)</u>	<u>(694,536)</u>	<u>3,680,998</u>

ALLOCATION OF NET ASSETS – PRIOR YEAR

	Fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted funds	-	-	-	-
Unrestricted funds	4,544,830	188,681	(1,068,234)	3,665,277
	<u>4,544,830</u>	<u>188,681</u>	<u>(1,068,234)</u>	<u>3,665,277</u>

18. RELATED PARTY TRANSACTIONS

Stephen Langer, a Governor of the school, provided architectural services in relation to the ongoing dining room project to a value of £9,000 (2022: £9,000). This remains in the assets in the course of construction balance per note 10.

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