

THE MOUNT KELLY FOUNDATION

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

THE MOUNT KELLY FOUNDATION

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustee and advisers	1 - 2
Trustee's report	3
Independent auditors' report on the financial statements	14 - 17
Consolidated statement of financial activities	18
Consolidated balance sheet	19
Charity balance sheet	20
Consolidated statement of cash flows	21
Notes to the financial statements	22 - 40

THE MOUNT KELLY FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2022

The sole Trustee of the Charity is Mount Kelly Foundation Governors, a company registered in the UK; company number 03069235.

The Board of Directors of Mount Kelly Foundation Governors are a self-appointed body. These directors are referred to as Governors throughout this report.

The co-opted Governors are elected by the Board of Mount Kelly Foundation Governors. Service on the Board is for a term of four years. Retiring Governors can be re-elected.

**Charity registered
number**

306716

Principal office

Mount Kelly
Parkwood Road
Tavistock
Devon
PL19 0HZ

Governors

Mr Stuart Anderson
Mr Nicholas Andrews (Resigned 6 June 2022)
Dr Michael Atkinson
The Reverend Prebendary Roger Carlton, Nominated Governor of the Dean and Chapter of Exeter Cathedral
Mrs Wendy Davis
Mr Alistair Grove
Mr Keith Hollinshead
Mr James Kitson
Mrs Amanda Le Page
Mrs Kerstin Lewis, Nominated Governor of the Bishop of Exeter
Mr Andrew Main
Mr Ian MacQueen, Chair (Appointed 14 October 2022)
Mrs Hilary Monk
Mr Niel O'Neill
Mr Rob Ormsby
Mr David Parlby
Mr Julian Trahair
Mrs Claire Weston (Resigned 24 October 2022)
Dr Kevin C P Wilson (Resigned 15 October 2021)
Mr Julian Whiteley

Officers

Mr G T Ayling, Principal of the Foundation
Ms J Paine, Director of Finance and Operations

Independent auditors

Bishop Fleming LLP
Chartered Accountants
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Bankers

Natwest Corporate Services Team
PO BOX 33
St Andrews Cross
Plymouth
PL4 0YH

THE MOUNT KELLY FOUNDATION

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Solicitors

Foot Anstey
Senate Court
Southernhay Gardens
Exeter
Devon
EX1 1NT

**TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

TRUSTEE'S REPORT

The Trustee presents its annual report together with the audited financial statements of The Mount Kelly Foundation (the Charity and the Group) for the period 1 September 2021 to 31 August 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charity provides education in Tavistock for children from the ages 3-18. It is exploring international opportunities, runs summer schools for overseas pupils, and swimming camps throughout the year. The day to day running of the School is delegated to the Principal of the Foundation and the Director of Finance and Operations.

The Charity is constituted by an 1872 Trust Deed and registered with the Charity Commissions under Charity number 306716. The Trust Deed has been amended in subsequent years, the latest amendment being 2014.

Recruitment and Training of Governors

Mount Kelly is a member of HMC, SoH, IAPS, AGBIS, ISC, BSA and ISBA, all of which provide regular guidance, support and training. Compliance with Charity Commission regulation and best practice are reviewed on a regular basis and the Governing Body is continuing to consider its present and future composition, taking into account known requirements and the need for a range of skills. Governors' training is enhanced through attendance at courses, webinars and the circulation of appropriate briefs.

Governor Meetings

The Governors meet as a full Board at least once each term and have a full complement of sub-committees. During the year there were a total of 40 meetings (2021: 49).

Organisational Management

The Trustee of the Charity is Mount Kelly Foundation Governors (formerly Kelly College Governors), a company limited by guarantee. Through its directors, Mount Kelly Foundation Governors have responsibility for the overall management of the Charity and its interests.

Group Structure and Relationships

The Charity's wholly owned trading subsidiaries carry out non-charitable trading activities on behalf of the Charity.

Compliance Inspection

The School passed a no-notice ISI compliance inspection in November 2021.

OBJECTIVES AND ACTIVITIES

Policies and Objectives

The Objects of the Charity are the provision and conduct in or near Tavistock of a boarding and day school for young persons and the promotion of the education of former pupils of the School. Within these Objects, the Charity also has various permanent endowed and un-endowed trust funds held for special purposes in connection with the development of the School's facilities and for scholarships, bursaries, prizes and other educational purposes.

Mount Kelly recognises the benefits of having a diverse school community, with individuals who value one another, and the different contributions everyone can make. All members of the community are expected to value and respect others and pupils are taught this as part of their Mount Kelly education. The School is committed to being an equal opportunities education provider and employer, committed to equality of opportunity for all members of the school community. In the provision of equal opportunities, the School recognises and accepts its responsibilities under the law and opposes all discrimination. Further details can be found in the School's Pupils and Staff Equality Policies.

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

As a charity Mount Kelly understands fully its responsibility to maximise and demonstrate the benefits that its work provides for individuals, communities and the wider public. The School is committed to developing a culture of collaboration and partnership that enhances the experiences of our pupils and ensures the School is a force for good beyond its own boundaries. This undertaking is clearly defined in the 5-year Strategic Plan that will see the School strengthen and sustain a long-term commitment to the wellbeing of the community.

Aims and Intended Impact

As an educational charity for children, Mount Kelly's principal activity is the education and pastoral care of its pupils and it aims to achieve excellence in education and preparation for life. This is achieved by helping each individual pupil to maximise their academic potential, and also by providing a programme to enrich the curriculum and develop character. The provision of high-quality pastoral care and the development of moral and spiritual values enables pupils to contribute to both the local community and society in general.

Mount Kelly's key features are as follows:

- Mount Kelly is an all-round co-educational School, where pupils from the age of 3-18 are nurtured and encouraged to realise their full potential
- Mount Kelly is a school which values strong academic performance and it works tirelessly to maximise the ability of every child
- Mount Kelly is located on the edge of Dartmoor National Park and makes every use of its exceptional surroundings to widen pupils' experiences
- Mount Kelly is proud to be a close-knit school and there is a special emphasis on individual pastoral care where our family values pervade every aspect of school life
- Mount Kelly understands what it takes for pupils to compete at the top level; the expectations and structures of its globally recognised swimming programme are replicated in other fields across the School
- Mount Kelly is a school with a strong sense of service to the community and believes it is important to give children a chance to attend the School who could not afford to do so
- Mount Kelly is a Christian School, where the importance of tolerance, understanding and kindness are central and pupils of all faiths and none are supported equally
- Mount Kelly produces balanced, confident, well-rounded and ambitious pupils and they have a fierce pride in being part of Mount Kelly.

The Mount Kelly Purpose

Mount Kelly delivers a values-led, life defining educational experience.

Mount Kelly Values

COMPASSION

Empathy Tolerance Kindness

We treat others with compassion, demonstrating empathy, tolerance and kindness in all that we do.

COURAGE

Determination Resilience Grit

We act with courage, demonstrating determination, resilience and grit in the face of both opportunity and challenge and always striving to learn through life's journey.

HUMILITY

Modesty Gratitude Selflessness

We behave with humility; we are modest in our success, grateful for our blessings and selfless in the way that we share them.

RESPECT

Courtesy Service Consideration

We value and respect every person equally; always seeking to serve those around us and treating all with courtesy and consideration.

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

COMMITMENT

Dedication Loyalty Endurance

We demonstrate commitment to our School and to those around us., making the most of opportunities available; we are dedicated, loyal and always endure through to the end.

INTEGRITY

Honesty Decency Morality

We value integrity above all; we are honest with ourselves and others, conducting our lives with decency whilst striving for the highest moral standards.

Objectives for the Year

The Governing Body set the following aims for the academic year 2021-22:

- To improve the overall academic value-added for pupils taking GCSE, A Level and BTEC
- To continue to make demonstrable progress with the 5-year Strategic Plan.

The launch of the Strategic Plan was a key objective for the year, setting out a clear framework and direction of the School. Management have started to make progress with the plan as set out in the report.

Strategic Plan Objectives and Actions

Academic Improvement

To equip our young people with intellectual confidence and the qualifications, skills, knowledge, attitudes and values demanded by the future world.

What we will do to achieve this

- Drive scholarly ambition and value-added achievement
- Become a *Thinking School*¹
- Engage with *OECD Education 2030*²
- Maximise digital literacy and capability
- Embed an integrated whole-school curriculum that is broad, inclusive, relevant, challenging, inspiring and globally-focused
- Develop a programme of off-timetable intensive enrichment courses
- Grow the role of Personalised Learning
- Strengthen pathways to the best post-secondary educational programmes worldwide

Actions taken

- Embedding of the Writing Revolution
- Parishes are now well established as engines of the development of Teaching & Learning
- Society activity, most notably the Medical Society, has been heightened
- A detailed Digital strategy paper has been presented
- Assessment & Tracking reform
- Prep Intensives have begun – opportunities for pupils to come off-timetable to study disciplines in greater depth
- Personalised Learning training has been focussed and plentiful
- An Assistant to the Head of Sixth Form has been appointed

Well Being

To develop empowered and emotionally secure young people with the ability to manage the demands of modern life.

¹ A *Thinking School*, accredited by the University of Exeter, takes an explicit, evidence informed, whole school approach to developing pupils' metacognitive capability and intelligent learning behaviours

² *OECD (Organisation for Economic Co-Operation and Development) Education 2030* is a global initiative to build a common understanding of the knowledge, skills, attitudes and values necessary to shape the future towards 2030

TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

What we will do to achieve this

- Ensure an uncompromising commitment to a safeguarding culture
- Become a *Rights Respecting School*³
- Embed whole-school wellbeing programmes and curricula
- Support a strong and inclusive boarding ethos
- Foster support systems through the vertical House structure
- Ensure all pupils and cultural diversity are represented and celebrated equitably
- Enhance the sense of belonging through *Team, House, School*
- Support pupils on the journey to global citizenship

Actions taken

- Counselling review
- Bolstered House competition that provides a focus of loyalty and teamwork
- Appointment of a Foundation Lead for PHSE

Sport

To embed in young people a life-long appreciation of participation, performance, health and wellbeing through sporting activity.

What we will do to achieve this

- Maintain a world class swimming programme
- Introduce a girls' football programme in partnership with Chelsea FC Foundation
- Foster traditional competitive team sports
- Explore additional competitive team sports
- Promote individual sporting pursuits
- Develop accessible and inclusive recreational opportunities
- Engage our sportsmen and women in all aspects of the Mount Kelly experience
- Support local, regional and national sporting initiatives

Actions taken

- A new recruitment process in swimming
- Girls' football has been fully supported and has hit all of its targets
- Appointment of our first full time Head of Cricket

Extra-curricular

To foster in young people passions and interests and a value of participation, leadership, responsibility, creativity, service, teamwork and healthy lifestyles.

What we will do to achieve this

- Strengthen the Shackleton programme, Duke of Edinburgh's Award scheme, the Ten Tors and Devizes to Westminster challenges and sail training on *Olga* as the core of our offering
- Widen participation in volunteering
- Deepen opportunities for creative performance
- Develop life-skills and entrepreneurship programmes
- Enhance the current seven-day-a-week provision
- Reimagine pupil leadership opportunities
- Devise a rolling programme of trips accessible for all pupils
- Maximise staff skills and capability

³ UNICEF UK *Rights Respecting Schools* are communities rooted in equality, dignity, respect, non-discrimination and participation

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Actions taken

- Prep instrumental (music) take-up targeted
- A trips review undertaken and communicated
- Volunteering levels maintained
- The new Pupil Leadership programme has been re-launched

Partnerships

To place Mount Kelly firmly within a network that enhances the educational experience of our pupils and ensures the School is a force for good beyond its own walls.

What we will do to achieve this

- Widen the community engagement programme
- Support the local economy through collaboration
- Strengthen links with key education partners
- Establish Mount Kelly as a primary school hub
- Utilise technology to maximise partnership opportunities
- Develop exchange programmes with schools in the UK and overseas
- Deepen impact through collaboration with third party charities and organisations
- Enhance Mount Kelly's international and on-line presence

Actions taken

- Guided heritage tours open to the public
- Evening sport events for local community engagement
- Staff coaching at local clubs
- Cumberland link now well established
- Parents' Association funding model agreed

Sustainability

To promote sustainable lifestyles and reduce the School's carbon footprint.

What we will do to achieve this

- Embed a programme of sustainability and environmental responsibility within the curriculum
- Promote pupil ownership initiatives
- Develop an energy management system to reduce heat and power consumption
- Develop opportunities to decarbonise heat
- Increase on-campus solar electrical power generation
- Optimise water usage
- Promote positive changes of habit amongst all stakeholders
- Factor sustainability into decision-making

Actions taken

- Launched Pupil Sustainability Committee and appointed Sustainability Leaders
- Reduced energy consumption through installation of LED lighting, loft installation and double glazing in classroom blocks across both sites
- Reduced water consumption by optimising onsite bore holes and installation of water-optimising appliances
- Energy Management System plan progressing
- Doubling of Solar panel installation at the pool
- Sustainability now figuring in our broader decision-making, impacting positively on the suppliers and products that we are using

Leadership

To realise the Mount Kelly Purpose through outstanding leadership at all levels.

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

What we will do to achieve this

- Promote leadership that lives-out the Mount Kelly values
- Maintain a Governing Body that operates with commitment, a strong focus on mission and specific, clearly articulated responsibilities
- Ensure that the Governing Body is appropriately structured to deliver long-term continuity of leadership
- Recruit and develop executive leadership that is progressive, innovative, reflective and self-critical
- Cement in practice a programme of senior leadership development
- Develop professional support programmes for all staff
- Act on the importance and benefits of diversity and inclusion
- Explore alternative pupil leadership structures

Actions taken

- A New Chair of Governors has been appointed
- Members of the SLT have undergone a leadership development programme
- Increased opportunities for SLT to reflect on its own practice and purpose
- A Head Master appraisal completed
- A Mentoring framework for staff agreed

Stewardship

To ensure that the wellbeing of the Foundation that has been entrusted to us is safeguarded and passed on in robust health for the benefit of future generations.

What we will do to achieve this

- Cement our Purpose at the heart of all we do
- Maintain first class financial management
- Foster a dynamic, creative and diverse approach to commercial activity
- Recognise the contributions to success made by all members of our community
- Ensure a clear and vibrant communication of our purpose and achievement
- Promote lifelong engagement with Mount Kelly through the enhanced role of the Development and Alumni Office
- Prepare for our 150th anniversary in 2027
- Offer new opportunities for future generations through increased bursary funding

Actions taken

- New Outdoor Education Scholarship fund created for the 2022-23 academic year
- A new Commercial strategy has been formulated and communicated
- Successful re-establishing of an impressive programme of OMK events
- Target hit of increasing Bursary funding income by 10%
- Newsletters, recordings and remote forums

Investment

To realise the Mount Kelly Purpose to provide a values-led, life defining education experience through continued investment in our people, infrastructure and facilities.

What we will do to achieve this

- Enhance a work environment that is welcoming, respectful and inclusive
- Deliver equal opportunities for supportive personal and professional development
- Ensure all staff are represented fairly and equality
- Invest in IT networks that best serve every aspect of Foundation activity
- Build sustainable business practices and infrastructures
- Upgrade teaching, performance and social spaces
- Complete the refurbishment of our boarding houses

THE MOUNT KELLY FOUNDATION

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

- Maintain and develop sporting facilities commensurate with our ambition

Actions taken

- Continued rolling classroom and office refurbishment programme
- Plans developing for boarding house refurbishment
- Upgrades to IT security networks and improved Wi-fi coverage
- A new induction process established
- Staff forum constituted
- Salary and Benefits review undertaken
- Continued upgrades to fire precaution facilities across both College and Prep
- Investment in new Grounds equipment to support with the continued improvement of sporting facilities

Public Benefit

The Trustee confirms it has complied with its duty under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and seek to meet the Foundations' charitable purposes in following its objectives.

Employment

The Foundation employs an average of 225 individuals with a total wage bill of £6,185,563.

Local economy

- | | |
|--------------------------------------|----------|
| • Estimated direct local spend | £823,185 |
| • Means-tested local bursary support | £268,803 |

Swimming

Both the 25m and 50m indoor swimming pools owned and operated by the Foundation are available for public use. During the 2021-22 year there have been 78,000 total attendances.

The Learn to Swim Programme has taught 445 children and 32 adults this year. The pools host 5 swimming clubs, 1 triathlon club for weekly sessions as well as 7 other swimming clubs, 3 surf lifesaving clubs and 1 free diving club. The Swim Centre has trained 12 coaches on 1 coaching course and 24 lifeguards on 2 courses. The facilities are available for use by local primary schools and during the 2021-22 year 16 local schools received swimming lessons.

The Swim Centre has also hosted several events to include 2 triathlons, a Swimathon National Charity event, 2 Pony Club Tetrathlons, English School Association Regional Swimming Gala, National Arena Swimming League gala, Mark Foster Swim Academy and Ocean Walker and Total Immersion Swimming Workshops.

Mount Kelly Swim Centre is also host to residential swim camps and swim schools. 440 swimmers attended residential camps from 13 different clubs from across the country and 198 swimmers attended Swim School.

The 50m pool has heralded a huge improvement in the Mount Kelly swim programme, with resulting reputational benefits for town and locality.

Sports facilities

A range of facilities are used by local organisations:

All weather pitches	Tavistock Hockey Club, Tavistock Rugby Football Club, Horrabridge Football Club
Campus	Dartmoor Velo, Tavistock Triathlon, High Five, Archery Club, Spooners and West Dartmoor Pony Club
Wortham Hall	Stannary Brass Band
Sports Hall	MCCF Cricket Hub, Brendon Worth Cricket School, Rugby Tots, Tavistock

THE MOUNT KELLY FOUNDATION

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

	Badminton Club, Moorland Maidens, Yelverton Cricket Club
Sports fields	Football camps
Courts	Deep West Fives club

Partnerships

Mount Kelly has entered into agreements with several organisations including:

Tavistock Hockey Club	Shared financing arrangement for all-weather pitch
Tavistock College	Athletics track and swimming pool
Tavistock Athletics	Shared facilities and coaching
Tavistock BID	Sponsorship of gift card
Tamar Energy Community	Solar panel installation and management
Chelsea Football Club Foundation	Creating south west girls' football hub and commercial residential camps

Mount Kelly is represented at Tavistock and Devon Chambers of Commerce.

Culture

The Mount Kelly Choral Society and Tavistock Festival collaboration has been re-established after the pandemic, as have the cycle of concerts at the Dickensian evening, the Christmas Tree Festival and the annual Remembrance Concert at the parish church.

Volunteering

The School has a far-reaching programme that sees pupils and staff assisting with the Food Bank, Tavistock Locals Help, Rotary activities, Caring Calls and letter writing campaigns, local litter picking and gardening.

Grant Making Policy

The Trustee's policy, in line with that of other independent schools, is to award some grants on the basis of educational ability, subject to the restrictions imposed by the original donor of funds. The Charity has continued to its move towards a policy of granting a greater proportion of means-tested bursary awards, making such awards this year to the value of £804,811 (2021: £833,411).

Volunteers

The Parents' Association maintains its interest in the life of the School, raising funds to support non-curriculum activities, and a significant number of parents support the extra-curricular life of the School as volunteers. The Parents' Association has been involved in fundraising to support Ukrainian families. Eight pupils have joined the Foundation during the year as a result of their efforts.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

In the academic year 2021-22 Mount Kelly had a total of 650 pupils on-roll, maintaining an increase of over 8% on the previous year. There are currently 636 pupils on roll for the 2022-23 year, cementing our strategic objective plan to optimise our facilities and pupils across both sites.

Mount Kelly has a philosophy that is committed to an all-round education, and the provision of a wide range of extra-curricular opportunity enables our pupils to explore, grow and develop as well-rounded individuals.

A Level results were again strong, 28% of examination papers taken were awarded an A*, 51% were graded A*-A and 68% A*-B, all of which are well above the national average. 77% of pupils secured their places at their first choice of university, including 43% moving on to Russell Group universities as well as impressive institutions overseas.

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

There was another outstanding set of GCSE results this year. 53% of all grades awarded were 9-7, almost twice the national figure, and 97% of all examinations taken were awarded 9-4. 34% of Mount Kelly pupils were awarded grades 9-8.

There was also success at the Prep, with pupils winning places and scholarships not only at the College, but also at other well know HMC schools.

2021-22 was the first full season following the pandemic and has been Mount Kelly Swimming's most successful season to date. For the first time Mount Kelly finished as a Top Club at the British Summer Championships held in July and retained the National Arena League title that was first won in 2020. There has been strong representation on the junior and senior international stage.

102 Mount Kelly swimmers also qualified for the 2022 British and Home Nation Summer Nationals. Other notable successes include:

- 5 International swimmer selections; European Junior Championships and European Youth Olympic Festival winning collectively 1 Gold, 3 Silver and 3 Bronze medals
- 2 swimmers and 6 Old Mount Kellians qualified for Commonwealth Games winning 1 Gold and 1 Silver medal
- 3 swimmers selected to World School Games for England
- Old Mount Kellian, Federico Burdisso, won gold at the World Championships in the Men's 4x100m Medly Relay
- Top Club at the South West Regional Championships
- 23 medals at the Swim England National Winter Meet.

The School is also making significant progress across a wider range of sporting commitment. The games programme has grown, with an impressive range of sporting options and more fixtures across the range enabling more pupils to represent the School.

2021-22 saw the continued success of the Girls' Performance Football Programme in partnership with Chelsea FC Foundation. The team won the Independent Schools Football Association National Girls U18 Seven-a-Side Tournament, with 15 schools competing at Charterhouse School. The final was of an extremely high standard.

Our youngest sportsmen and women receive much improved and regular quality coaching and the overall quality of the provision at the Prep has strengthened markedly, with again a growth in the quantity and quality of fixtures.

Music continues to be a strength with pupils, ensembles and choirs performing to an executional standard. The senior choir is particularly talented and received national recognition and our pupils continue to perform in many local events. Associated Board music exam uptake remains strong with considerable success at every level. The School maintains a very lively programme of informal concerts.

The School also runs a programme of public concerts, welcoming to the School professional soloists and ensembles of the highest calibre, performing to our own pupils and to the wider community. This programme has started to return to the school following the pandemic.

Outdoor pursuits remain an important element of Mount Kelly's extra-curricular life. With pandemic restrictions lifting, activity has grown during the year. Pupils in Years 6, 7 and 8 have been most fully engaged in the Learning Outside the Classroom programme, spending time during the summer term learning in the natural environment, and the addition of sail training on *Olga*, a Plymouth based cutter, has added an extra dimension to our offering. We maintain a high profile in the Ten Tors Challenge and the Devizes to Westminster International Canoe Race, and a lively involvement in Duke of Edinburgh Gold Awards.

In Performing Arts, a significant number of pupils this year once again took LAMDA examinations with Distinction passes at Grade 8. Having been postponed by covid, the main College drama production of the

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

year, *Blue Stockings*, was brought to the stage in April and *The Merchant of Venice* was performed at Tavistock Guildhall as the centerpiece of our Shakespeare Festival.

The Trustee would like to thank all involved with the Foundation for their continued hard work and ongoing success.

Future Developments

The next five years will see the continued implementation of the Strategic Plan. The strategy gives clear direction to the Charity and to continue to build on the quality of the educational experience at Mount Kelly and within the broader strategic imperative of ensuring commercial sustainability.

Financial Review

The Statement of Financial Activities for the year is set out on page 18 of the financial statements. Incoming resources were £11,368,780 (2021: £10,019,121). The primary source of income in the year was the receipt of school fees.

The total net movement in funds for the year was a surplus of £693,714 (2021: surplus of £494,788). The total net movement of unrestricted funds was £729,421 (2021: surplus of £134,339). The total net movement of restricted funds was £42,770 deficit after £44,235 revaluation losses on investments (2021: £319,630 after £101,882 revaluation gains on investments). The total net movement of endowment funds was £7,063 after revaluation losses on investments of £20,870 (2021: surplus of £40,819 after revaluation gains of £66,805). Note 6 details the total expenditure on the various elements of the Foundations' charitable activities. Details of the net movement in restricted funds are given in note 16.

Going Concern

The Trustee has assessed the impact of the current energy crisis as well as predicted interest rate rises and what impact it will have on the ongoing operations of the charity. The School has continued to provide teaching throughout the year and pupil recruitment remains strong for the academic year ahead.

The Trustee has reviewed the current position and does not anticipate any material changes to the operations of the School. In light of this, the Trustee is confident that the Charity has adequate resources in place and consider it appropriate for the financial statements to be prepared on a going concern basis.

Reserves Policy

The reserves policy of the Foundation is to maintain free reserves equal to approximately one full term's expenditure. Use of reserves should always be planned and approved in advance by the Trustee and should be accompanied by a clear business case, articulating, as far as possible, how the funds are intended to be used. The policy is reviewed annually.

At the year end, total unrestricted reserves held by the Foundation amounted to £14,797,169 (2021: £14,067,748). The restricted reserves held by the Foundation were £2,641,609 (2021: £2,684,379). The endowment reserves held by the Foundation were £623,827 (2021: £616,764).

Risk Management

The Trustee has assessed the major risks to which the Charity is exposed as including, failure to meet legal requirements, negative publicity, too few sources of income, exposure to fraud and not having adequate insurance cover.

The Trustee has reviewed these areas of potential risk and concluded that, operationally, these risks are significantly mitigated; record keeping is performed by the Mount Kelly Foundation which has adequate internal controls, insurance cover is reviewed every year and a lawyer is on hand when needed. The exposure to a loss of income was considered when the investments and reserves policies were agreed.

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Investment Policy and Objectives

The Trustee is responsible for the oversight of the implementation of the investment policy and monitoring the performance of investments. The Board seeks professional advice when required. The Board gives guidance as to the balance required between income and capital growth, risk parameters and the investment strategy having due regard to the law and regulations on the investment of charitable assets.

The investment policy of the Foundation is to generate a positive financial return on funds over a medium to long term period through a balanced portfolio with a low risk profile and low capital volatility.

The investments are managed by Brewin Dolphin Limited.

Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources of the Group for that period. In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustee is responsible for keeping proper accounting records that are sufficient to show and explain the Charity and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. It is also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustee on 9 December 2022 and signed on its behalf by:



Ian MacQueen
Chair of Mount Kelly
Foundation Governors



AM Grove
Chair of Finance and
General Purposes Committee

THE MOUNT KELLY FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MOUNT KELLY FOUNDATION

OPINION

We have audited the financial statements of The Mount Kelly Foundation (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated statement of financial activities, the Consolidated statement of financial position, the Charity statement of financial position, the Consolidated statement of cash flows and the related notes, 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 Group's and of the parent charity's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustee's 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 Group's or the parent charity'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 Trustee with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustee is responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE MOUNT KELLY FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MOUNT KELLY FOUNDATION (CONTINUED)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the trustee

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the Group's and the parent charity'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 Trustee either intends to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MOUNT KELLY FOUNDATION
(CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and Group performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, purchase ledger and payroll, and identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act, the Charities SORP and the Charities Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of management and those charged with governance concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MOUNT KELLY FOUNDATION
(CONTINUED)**

- in addressing the risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Auditors' report.

USE OF OUR REPORT

This report is made solely to the charity's Trustee and its directors in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to it in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its Trustee and directors for our audit work, for this report, or for the opinions we have formed.



Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

12 December 2022

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE MOUNT KELLY FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	2	-	253,880	127,119	380,999	139,301
Charitable activities	3	-	-	10,158,154	10,158,154	9,137,600
Other trading activities	4	-	-	818,910	818,910	721,901
Investments	5	-	10,717	-	10,717	20,319
Total income and endowments		-	264,597	11,104,183	11,368,780	10,019,121
Expenditure on:						
Raising funds		-	-	942,850	942,850	801,982
Charitable activities	6	-	47,716	9,619,395	9,667,111	8,891,038
Total expenditure		-	47,716	10,562,245	10,609,961	9,693,020
Net income before net (losses)/gains on investments		-	216,881	541,938	758,819	326,101
Net (losses)/gains on investments		(20,870)	(44,235)	-	(65,105)	168,687
Net (expenditure)/income		(20,870)	172,646	541,938	693,714	494,788
Transfers between funds	16	27,933	(215,416)	187,483	-	-
Net movement in funds		7,063	(42,770)	729,421	693,714	494,788
Reconciliation of funds:						
Total funds brought forward		616,764	2,684,379	14,067,748	17,368,891	16,874,103
Net movement in funds		7,063	(42,770)	729,421	693,714	494,788
Total funds carried forward		623,827	2,641,609	14,797,169	18,062,605	17,368,891

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 40 form part of these financial statements.

THE MOUNT KELLY FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	20,892,575	21,018,643
Investments	11	1,399,435	1,387,965
		22,292,010	22,406,608
Current assets			
Stocks	12	14,807	90,247
Debtors	13	2,146,732	1,358,457
Cash at bank and in hand		4,045,864	3,299,654
		6,207,403	4,748,358
Creditors: amounts falling due within one year	14	(6,217,644)	(6,176,792)
Net current liabilities		(10,241)	(1,428,434)
Total assets less current liabilities		22,281,769	20,978,174
Creditors: amounts falling due after more than one year	15	(4,219,164)	(3,609,283)
Total net assets		18,062,605	17,368,891
Charity funds			
Endowment funds	16	623,827	616,764
Restricted funds	16	2,641,609	2,684,379
Unrestricted funds	16	14,797,169	14,067,748
Total funds		18,062,605	17,368,891

The financial statements were approved and authorised for issue by the Trustee on 09 December 2022 and signed on their behalf by:



Ian MacQueen
Chair of Mount Kelly Foundation Governors



AM Grove
Chair of Finance and General Purposes Committee

The notes on pages 22 to 40 form part of these financial statements.

THE MOUNT KELLY FOUNDATION

CHARITY STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	20,892,575	21,018,643
Investments	11	1,399,435	1,387,965
		22,292,010	22,406,608
Current assets			
Stocks	12	14,807	21,957
Debtors	13	2,199,945	1,357,788
Cash at bank and in hand		3,788,783	3,060,573
		6,003,535	4,440,318
Creditors: amounts falling due within one year	14	(6,057,927)	(6,050,659)
Net current liabilities		(54,392)	(1,610,341)
Total assets less current liabilities		22,237,618	20,796,267
Creditors: amounts falling due after more than one year	15	(4,219,164)	(3,609,283)
Total net assets		18,018,454	17,186,984
Charity funds			
Endowment funds		585,077	616,764
Restricted funds		2,844,753	2,684,379
Unrestricted funds		14,588,624	13,885,841
Total funds		18,018,454	17,186,984

The Charity's net movement in funds for the year was £831,470 (2021 - £358,554).

The financial statements were approved and authorised for issue by the Trustee on 09 December 2022 and signed on their behalf by:



Ian MacQueen
Chair of Mount Kelly Foundation Governors



AM Grove
Chair of Finance and General Purposes Committee

The notes on pages 22 to 40 form part of these financial statements.

THE MOUNT KELLY FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	765,736	436,562
Cash flows from investing activities			
Dividends, interests and rents from investments		10,717	20,319
Purchase of tangible fixed assets		(465,170)	(403,746)
Proceeds from the sale of investments		207,079	263,580
Purchase of investments		(283,654)	(486,454)
Net cash used in investing activities		(531,028)	(606,301)
Cash flows from financing activities			
Cash inflows from new borrowing		4,500,000	-
Repayments of borrowing		(3,977,966)	(135,777)
Repayments of finance leases		(10,532)	(10,339)
Net cash provided by/(used in) financing activities		511,502	(146,116)
Change in cash and cash equivalents in the year		746,210	(315,855)
Cash and cash equivalents at the beginning of the year		3,299,654	3,615,509
Cash and cash equivalents at the end of the year	20	4,045,864	3,299,654

The notes on pages 22 to 40 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Mount Kelly Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.2 GOING CONCERN

The Trustees have continued to assess the impact of inflation and the impact it will have on the ongoing operations of the charity. The school has continued to see increases in pupil numbers despite the increased fee levels each year.

The Trustees have reviewed the current position and does not anticipate any material changes to the operations of the school. In light of this, the Trustees are confident that the Charity has adequate resources in place and consider it appropriate for the financial statements to be prepared on a going concern basis.

1.3 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE (CONTINUED)

All expenditure is inclusive of irrecoverable VAT.

1.5 GOVERNMENT GRANTS

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £nil or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 1 -2% straight line
Land	- not depreciated
Motor vehicles	- 15% straight line
Fixtures and fittings	- 10% straight line
Other fixed assets	- 6.67 - 25% straight line

1.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 DEBTORS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

1.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

1.12 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 FINANCE LEASES AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.14 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	253,880	127,119	380,999	139,301
TOTAL 2021	133,511	5,790	139,301	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Tuition fees: Gross fees	13,634,657	13,634,657	11,983,480
Less Bursaries, Scholarships and other discounts	(3,673,083)	(3,673,083)	(3,164,999)
Other Educational Income: After school care	2,120	2,120	575
Registration fees	16,973	16,973	17,522
Other ancillary income: Interest on unpaid fees	1,541	1,541	816
Furlough grants	1,734	1,734	158,927
Income from extra activities	174,212	174,212	141,279
	10,158,154	10,158,154	9,137,600

4. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Sales	21,752	21,752	2,893
Rent receivable	111,668	111,668	227,228
Other commercial activities	173,234	173,234	187,113
Commercial swimming	512,256	512,256	304,667
	818,910	818,910	721,901

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

5. INVESTMENT INCOME

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment Income	10,717	10,717	20,319

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational	4,687,375	-	4,687,375	4,469,351
Domestic & Catering	-	1,831,303	1,831,303	1,786,763
Maintenance	-	986,347	986,347	833,235
Administration	-	1,915,962	1,915,962	1,618,014
Finance Costs	-	186,524	186,524	68,331
Governance	-	59,600	59,600	115,344
	<u>4,687,375</u>	<u>4,979,736</u>	<u>9,667,111</u>	<u>8,891,038</u>
TOTAL 2021	<u>4,469,351</u>	<u>4,421,687</u>	<u>8,891,038</u>	

7. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	12,360	12,060
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	9,790	7,540

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

8. STAFF COSTS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	5,137,548	4,767,717	4,783,904	4,425,312
Social security costs	482,960	417,986	460,919	399,298
Contribution to pension schemes	565,055	647,849	553,673	640,367
	6,185,563	5,833,552	5,798,496	5,464,977

The average number of persons employed by the Charity during the year was as follows:

	Group 2022 No.	Group 2021 No.
Education	122	109
Domestic	28	28
Administration	24	21
Maintenance	21	20
Subsidiary Companies	30	36
	225	214

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	3	3
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. TRUSTEE'S REMUNERATION AND EXPENSES

During the year, the Trustee received no remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

10. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Motor vehicles £	Fixtures and fittings £	3G pitch £	Total £
COST OR VALUATION					
At 1 September 2021	20,795,804	124,671	2,890,180	967,843	24,778,498
Additions	95,753	31,880	337,537	-	465,170
Disposals	-	(59,916)	(162,371)	-	(222,287)
At 31 August 2022	20,891,557	96,635	3,065,346	967,843	25,021,381
DEPRECIATION					
At 1 September 2021	1,553,068	91,151	1,656,933	458,703	3,759,855
Charge for the year	250,867	7,399	264,392	42,821	565,479
On disposals	-	(52,279)	(144,249)	-	(196,528)
At 31 August 2022	1,803,935	46,271	1,777,076	501,524	4,128,806
NET BOOK VALUE					
At 31 August 2022	19,087,622	50,364	1,288,270	466,319	20,892,575
At 31 August 2021	19,242,736	33,520	1,233,247	509,140	21,018,643

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. TANGIBLE FIXED ASSETS (CONTINUED)

CHARITY

	Freehold property £	Motor vehicles £	Fixtures and fittings £	3G pitch £	Total £
COST OR VALUATION					
At 1 September 2021	20,795,804	124,671	2,832,231	967,843	24,720,549
Additions	95,753	31,880	337,537	-	465,170
Disposals	-	(59,916)	(148,354)	-	(208,270)
At 31 August 2022	20,891,557	96,635	3,021,414	967,843	24,977,449
DEPRECIATION					
At 1 September 2021	1,553,068	91,151	1,598,984	458,703	3,701,906
Charge for the year	250,867	7,399	264,392	42,821	565,479
On disposals	-	(52,279)	(130,232)	-	(182,511)
At 31 August 2022	1,803,935	46,271	1,733,144	501,524	4,084,874
NET BOOK VALUE					
At 31 August 2022	19,087,622	50,364	1,288,270	466,319	20,892,575
At 31 August 2021	19,242,736	33,520	1,233,247	509,140	21,018,643

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	Group 2022 £	Group 2021 £
Plant, F&F and equipment	10,665	23,609

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. FIXED ASSET INVESTMENTS

GROUP AND CHARITY	Listed investments £	Cash account held as part of investment portfolio £	Total £
COST OR VALUATION			
At 1 September 2021	1,310,632	77,333	1,387,965
Additions	283,654	-	283,654
Disposals	(206,539)	-	(206,539)
Revaluations	(65,105)	-	(65,105)
Amounts written off	(540)	-	(540)
Transfers between classes	(96)	96	-
AT 31 AUGUST 2022	<u>1,322,006</u>	<u>77,429</u>	<u>1,399,435</u>
NET BOOK VALUE			
AT 31 AUGUST 2022	<u>1,322,006</u>	<u>77,429</u>	<u>1,399,435</u>
AT 31 AUGUST 2021	<u>1,310,632</u>	<u>77,333</u>	<u>1,387,965</u>

12. STOCKS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Finished goods and goods for resale	<u>14,807</u>	<u>90,247</u>	<u>14,807</u>	<u>21,957</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

13. DEBTORS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
DUE WITHIN ONE YEAR				
Trade debtors	33,609	138,790	-	-
Amounts owed by group undertakings	-	-	120,842	139,525
Other debtors	2,483	8,581	2,483	8,581
Prepayments and accrued income	148,607	114,848	114,587	113,444
Fees	1,962,033	1,096,238	1,962,033	1,096,238
	2,146,732	1,358,457	2,199,945	1,357,788

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans	211,788	299,635	211,788	299,635
Advanced fees	375,348	259,548	375,348	259,548
Trade creditors	234,671	232,268	163,797	203,107
Other taxation and social security	130,197	148,811	121,785	118,961
Obligations under finance lease and hire purchase contracts	2,738	13,270	2,738	13,270
Fees received in advance	3,463,871	3,412,301	3,463,871	3,412,301
Other creditors	1,447,810	1,516,970	1,443,061	1,507,239
Accruals and deferred income	351,221	293,989	275,539	236,598
	6,217,644	6,176,792	6,057,927	6,050,659
	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fees received in advance at 1 September	3,412,301	3,054,302	3,412,301	3,054,302
Resources deferred during the year	3,463,871	3,412,301	3,463,871	3,412,301
Amounts released from previous periods	(3,412,301)	(3,054,302)	(3,412,301)	(3,054,302)
	3,463,871	3,412,301	3,463,871	3,412,301

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans	4,219,164	3,609,283	4,219,164	3,609,283

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General Funds	<u>14,067,748</u>	<u>11,104,183</u>	<u>(10,562,245)</u>	<u>187,483</u>	<u>-</u>	<u>14,797,169</u>
ENDOWMENT FUNDS						
Endowment Fund	<u>616,764</u>	<u>-</u>	<u>-</u>	<u>27,933</u>	<u>(20,870)</u>	<u>623,827</u>
RESTRICTED FUNDS						
Scholarships and bursaries funds	<u>488,454</u>	<u>-</u>	<u>-</u>	<u>(2,770)</u>	<u>(33,418)</u>	<u>452,266</u>
Investment income	<u>20,319</u>	<u>10,717</u>	<u>-</u>	<u>(20,319)</u>	<u>-</u>	<u>10,717</u>
Bursary fund	<u>450,482</u>	<u>253,880</u>	<u>-</u>	<u>(192,327)</u>	<u>(10,817)</u>	<u>501,218</u>
Music school fund	<u>207,463</u>	<u>-</u>	<u>(4,796)</u>	<u>-</u>	<u>-</u>	<u>202,667</u>
Swimming pool fund	<u>1,003,470</u>	<u>-</u>	<u>(22,299)</u>	<u>-</u>	<u>-</u>	<u>981,171</u>
Hockey pitch fund	<u>486,591</u>	<u>-</u>	<u>(20,021)</u>	<u>-</u>	<u>-</u>	<u>466,570</u>
Old Mount Kelleian bridge donation	<u>27,600</u>	<u>-</u>	<u>(600)</u>	<u>-</u>	<u>-</u>	<u>27,000</u>
	<u>2,684,379</u>	<u>264,597</u>	<u>(47,716)</u>	<u>(215,416)</u>	<u>(44,235)</u>	<u>2,641,609</u>
TOTAL OF FUNDS	<u><u>17,368,891</u></u>	<u><u>11,368,780</u></u>	<u><u>(10,609,961)</u></u>	<u><u>-</u></u>	<u><u>(65,105)</u></u>	<u><u>18,062,605</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. STATEMENT OF FUNDS (CONTINUED)

The Music School fund was brought in as part of the Mount House School merger and was originally established for the expansion of the existing music facilities. The fund is fully invested in fixed assets.

The Scholarship and bursary funds represent gifts to the School to fund scholarships and bursaries. The fund is represented by investments.

The Investment Income fund consists of income received from investments and is held as cash.

The Bursary fund consists of donations made to the School to fund bursaries.

The Swimming pool fund consists of donations and grants made to build a new 50m swimming pool. These funds have been fully utilised in the construction of the pool. Expenditure on this fund represents a proportion of the depreciation of this asset.

The Hockey pitch fund represents income donated to the School for the refurbishment of its hockey pitch. Expenditure on this fund represents the depreciation on the assets these funds have purchased.

The Old Mount Kelleian bridge donation represents income donated to the School from the Old Mount Kelleian fund towards the cost of erecting a bridge between the College and the Prep School.

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	13,933,409	9,865,291	(9,645,304)	(85,648)	-	14,067,748
ENDOWMENT FUNDS						
Endowment Fund	575,945	-	-	(25,986)	66,805	616,764
RESTRICTED FUNDS						
Scholarships and bursaries funds	419,869	-	-	(2,730)	71,315	488,454
Investment income	32,276	20,319	-	(32,276)	-	20,319
Bursary fund	139,764	133,511	-	146,640	30,567	450,482
Music school fund	212,259	-	(4,796)	-	-	207,463
Swimming pool fund	1,025,769	-	(22,299)	-	-	1,003,470
Hockey pitch fund	506,612	-	(20,021)	-	-	486,591
Old Mount Kelleian bridge donation	28,200	-	(600)	-	-	27,600
	2,364,749	153,830	(47,716)	111,634	101,882	2,684,379
TOTAL OF FUNDS						
	16,874,103	10,019,121	(9,693,020)	-	168,687	17,368,891

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
General funds	14,067,748	11,104,183	(10,562,245)	187,483	-	14,797,169
Endowment funds	616,764	-	-	27,933	(20,870)	623,827
Restricted funds	2,684,379	264,597	(47,716)	(215,416)	(44,235)	2,641,609
	<u>17,368,891</u>	<u>11,368,780</u>	<u>(10,609,961)</u>	<u>-</u>	<u>(65,105)</u>	<u>18,062,605</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
General funds	13,933,409	9,865,291	(9,645,304)	(85,648)	-	14,067,748
Endowment funds	575,945	-	-	(25,986)	66,805	616,764
Restricted funds	2,364,749	153,830	(47,716)	111,634	101,882	2,684,379
	<u>16,874,103</u>	<u>10,019,121</u>	<u>(9,693,020)</u>	<u>-</u>	<u>168,687</u>	<u>17,368,891</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	2,046,343	18,846,232	20,892,575
Fixed asset investments	623,827	595,266	180,342	1,399,435
Current assets	-	-	6,207,403	6,207,403
Creditors due within one year	-	-	(6,217,644)	(6,217,644)
Creditors due in more than one year	-	-	(4,219,164)	(4,219,164)
TOTAL	<u>623,827</u>	<u>2,641,609</u>	<u>14,797,169</u>	<u>18,062,605</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Endowment funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	1,913,178	19,105,465	21,018,643
Fixed asset investments	616,764	771,201	-	1,387,965
Current assets	-	-	4,748,358	4,748,358
Creditors due within one year	-	-	(6,176,792)	(6,176,792)
Creditors due in more than one year	-	-	(3,609,283)	(3,609,283)
TOTAL	616,764	2,684,379	14,067,748	17,368,891

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	693,714	494,788
ADJUSTMENTS FOR:		
Depreciation charges	565,479	522,288
(Gains)/Losses on investments	65,105	(168,686)
Dividends, interests and rents from investments	(10,717)	(20,319)
Loss on the sale of fixed assets	25,759	5,974
Decrease in stocks	75,440	1,527
Increase in debtors	(788,275)	(507,401)
Increase in creditors	139,231	108,391
NET CASH PROVIDED BY OPERATING ACTIVITIES	765,736	436,562

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £
Cash in hand	4,045,864	3,299,654
TOTAL CASH AND CASH EQUIVALENTS	4,045,864	3,299,654

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	3,299,654	746,210	4,045,864
Debt due within 1 year	(299,635)	87,847	(211,788)
Debt due after 1 year	(3,609,283)	(609,881)	(4,219,164)
Finance leases	(13,270)	10,532	(2,738)
	<u>(622,534)</u>	<u>234,708</u>	<u>(387,826)</u>

22. PENSION COMMITMENTS

There are several pension schemes available to employees of the School, a Direct Contribution Scheme for teaching staff and a Group Personal Pension and a Death in Service Life Assurance for non-teaching staff.

Teachers' Pension Scheme

In the past, the school participated in the Teacher's Pension Scheme ("the TPS") for its teaching staff. During the year, the school left this scheme and have made arrangements to run their own pension scheme for its staff.

The pension charge for the year includes contributions payable to the TPS and at the year-end £nil (2021 - £66,517) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. PENSION COMMITMENTS (CONTINUED)

The next valuation result is due to be implemented from 1 April 2023.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

On 1 January 2022, the Mount Kelly Foundation put into place a new defined contribution scheme for teaching staff. At the year-end, £46,936 (2021 - £nil) was included in creditors in respect of contributions to this scheme. The assets of the scheme are held separately from those in the School in independently administered funds.

Non-teaching staff

All non teaching staff are invited to participate in the Group Personal Pension Plan and the Death in Service Life Assurance. This scheme is a defined contribution scheme, and the assets of the scheme are held separately from those in the School in independently administered funds.

Contributions totalling £25,580 (2021 - £13,622) were payable at the year-end.

23. OPERATING LEASE COMMITMENTS

At 31 August 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
AMOUNTS PAYABLE				
Not later than 1 year	72,330	74,447	72,330	74,447
Later than 1 year and not later than 5 years	125,036	172,646	125,036	172,646
Later than 5 years	-	4,500	-	4,500
	197,366	251,593	197,366	251,593

24. RELATED PARTY TRANSACTIONS

A number of employees of the Charity have children who are pupils at the school and therefore pay fees to the School. All transactions are conducted in accordance with the Foundation's financial regulation and normal procurement procedures, although they are given staff discount of 50%-80%.

25. PRINCIPAL SUBSIDIARIES

Mount Kelly operates three trading subsidiaries.

a) Mount Kelly Overseas Limited

Due to the impact of the issues between Hong Kong and China, the overseas franchisee has been unable to make a contribution to the Foundation this year and, as a result, Mount Kelly Overseas Limited incurred a loss of £37,660 in the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

25. PRINCIPAL SUBSIDIARIES (CONTINUED)

b) Mount Kelly Swimming Limited

The company's operations were severely impacted by the pandemic. This year the company has been able to provide full use of both the 50m and 25m pools, as well as full-size classes resulting in more revenue but with increasing costs as a result of the current energy crisis.

Consequently, the company made a loss of £235,101 in the year after paying intra group rent to the Mount Kelly Foundation of £60,000. The Mount Kelly Foundation is committed to supporting its 100% subsidiary, by granting the subsidiary sufficient funds to cover this loss, as the pool brings benefits to the Foundation as a whole that far exceed this value.

c) Mount Kelly Enterprises Limited

The company generates income from letting out of the Foundation's estate. The majority of this activity is over the summer, as such the core activities of the company were consistent with the prior year.

The company generated a profit of £86,321 in the year.

The following were subsidiary undertakings of the Charity:

Names	Company number	Holding Included in consolidation
Mount Kelly Overseas Limited	10012171	100% Yes
Mount Kelly Swimming Limited	10066675	100% Yes
Mount Kelly Enterprises Limited	01482627	100% Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Mount Kelly Overseas Limited	-	(37,660)	(37,660)	(91,130)
Mount Kelly Swimming Limited	754,808	(754,808)	-	-
Mount Kelly Enterprises Limited	246,473	(160,152)	86,321	135,283