

Charity registration number 307914

Company registration number 00610514 (England and Wales)

BABINGTON HOUSE SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

BABINGTON HOUSE SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr C Turner
Mr J Frankish
Mr M Hannibal
Mr W Magill
Ms H Porter-Aslet
Mr B Roberts
Mr G Scotchbrook
Mrs E Channon

Key Management Personnel

Mr T Lello - Headmaster
Miss S Best - Bursar
Mr P Showell - Head of Seniors
Mr J Mole - Head of Preparatory
Miss K Edwards - Deputy Head of Preparatory
Miss S McIntosh - Designated Safeguarding Lead

Charity number

307914

Company number

00610514

Registered office

Babington House School
Grange Drive
Chislehurst
Kent
BR7 5ES

Auditor

Knill James LLP
One Bell Lane
Lewes
East Sussex
BN7 1JU

BABINGTON HOUSE SCHOOL LIMITED

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BABINGTON HOUSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Articles of Association, the Companies Act 2006 and "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).

Objectives and activities

The object of the Company is the provision of education and associated facilities.

In setting objectives and planning for activities, the Directors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Strategies for achieving objectives

The School's aims are set out in its Mission Statement:

A – Academic rigour

Babington House School strives for academic rigour in all areas and encourages pupils to become confident and independent thinkers. We create a learning environment which encompasses a wide curriculum provision, develops new skills, broadens knowledge and encourages the joy and wonder of learning.

B – Behaviour

We have high standards of behaviour, dress and conduct, benefitting from small class sizes and a strong sense of community.

C – Care

We are committed to outstanding pastoral care and the well-being of all. Within a broad Christian context, we promote ideals of courtesy, determination, honesty and respect.

Activities undertaken to achieve objectives

In practice the objectives are achieved via the provision of co-educational day schooling for pupils from 3 years old until 18.

Social investment policies

Although Babington House is primarily a fee-paying school, a number of scholarship awards are available to talented and bursary awards to disadvantaged children from the local community. The number of scholarship and bursary places is currently 48 (2022: 47) and scholarships and bursary provision paid for from School funds during the year under report amounted to £283,760 (2022: £331,016).

We are also very proud that the school offers a small number of full scholarships to Sixth Form pupils who had previously attended large state schools in under deprived areas of SE London. These pupils join our community and make the most of the opportunities here, helping to create a vibrant and diverse community.

Working with a small group of local business people, the Headmaster helped to set up a scheme for some Babington Sixth Form pupils to receive funding through their university courses who would otherwise not be in a position to afford to go to the universities of their choice.

Facilities

The school facilities have been well maintained with a new classroom being completed in October 2021. There are plans to build a new classroom block to further enhance the specialist facilities of the school including science labs and library. Planning permission is currently being sought through the local authority and it is hoped this building will be in place for 25/26.

BABINGTON HOUSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Main achievements of the Charity

The school is one of the highest achieving schools in the London Borough of Bromley. The Board will seek to ensure that educational standards are upheld in line with the Mission Statement so that this position is maintained.

Key performance indicators

Though the school does not, of course, measure its success solely in terms of the academic performance of its pupils, the Board is pleased to report that this year's A Level and GCSE examinations results published in 2023 were remarkable and well above National averages.

We were extremely pleased that these pupils surpassed their expectations due to their hard work and the support they received at Babington. In fact, almost all the students achieved the grades they needed to go on to the universities of their choice. We currently have former pupils at Kings London (Medicine), Bristol (Economics), Exeter (Law), Surrey (Economics and Finance), Canterbury (Maths with Secondary Education), Loughborough (Politics, Philosophy and Economics), Reading (History), Sheffield (Urban Planning), Leicester (Psychology), Nottingham (Sociology), Leicester (Law), Leeds (Maths), LSE (Economics), Edinburgh (English), Southampton (Chemistry), Southampton (History), Bath (Physics), UCL (Mechanical Engineering), Birmingham (Dentistry), Birmingham (Pharmacy), Birmingham (Biomedical Science) and Brighton (Business).

We continue to forge strong links with the top universities and industry placements. For example, one pupil is currently on the prestigious degree internship at the major engineering company Thalix. Thalix will fund the degree course, pay her in excess of £20,000 a year and provide her with a job at the end of their course. This came out of the work experience we arranged for her at Thalix. She follows in the footsteps of other students from Babington, who have achieved this in the past.

Lower down the school we achieved 100% success rate in the external (Year 6) 11+ grammar school examinations in 2023.

BABINGTON HOUSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Review of activities

Charities and community work

The school regularly sends Senior pupils to form part of the Bromley Youth Council, who make an important contribution to the democratic process in the Borough.

The school raises a considerable amount for various charities. These include; Bromley Food Bank, Pedal push for NSPCC, Cancer Research, Bromley Homeless Charity, BBC Children in Need and UNICEF charities. We continue our links with a school in Capetown, South Africa fundraising efforts for the Uthando Charity and awareness building campaign.

The Early Years have achieved Mayor of London's Healthy Early Years London Award for another year running, this focuses on: learning, communication and language, health and well-being – all of the areas judged were heavily evidenced based.

Educational Trips and Outings

We have trips to the Peak District, Sayers Croft, Bore Place, Weymouth and the regular ski trip to the Italian Alps.

Drama Sport and co-curricular

We enjoy a lot of competitive sport and are still top of the Bromley Netball League in the Under 13, Under 14 and Under 16 levels. We have represented Kent at the SE Region for Swimming and Athletics. We are top of the league for rock climbing and bouldering in the South East, and we compete very well against other schools in our football too. The carol services and prize giving award ceremonies are always very well received by parents. We have enjoyed World Book Week, British Science Week and History Week as cross curricular initiatives. The very well-produced whole school drama production of Treasure Island was enjoyed by all.

Factors relevant to achieve objectives

The school aims to enable its students to meet the challenges of the 21st Century and to create a learning environment which caters for the needs of each individual and promotes active learning and individual success.

The School was last inspected November 2016 in which the School was judged to be 'Excellent' in all areas of school life.

The School continues to encourage its pupils to develop a sense of social responsibility and an understanding of the plight of others less fortunate than themselves. Fund raising schemes have enabled pupils to raise funds for nominated charities and good causes, and in so doing learn more about the activities of the charities and causes in question.

Fundraising activities and income generation

The School has had funds donated to it by the Babington House School Friends Association which is a voluntary group of parents who meet to organise social events to raise money for the School. Meetings are attended by members of the Senior Leadership Team. The charitable objectives of the BHSFA are as follows:

- To advance the education of pupils in the school in particular by developing effective relationships between the staff, parents and others associated with the school.
- Engaging in activities or providing facilities or equipment which support the school and advance the education of the pupils.

No complaints have been received in respect of fund-raising activities.

BABINGTON HOUSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

Going concern

As noted below free reserves are in surplus at 31 August 2023, and the cash position is positive and future cash flow projections and budgets indicate that there is no material uncertainty in relation to going concern.

After making appropriate enquiries, the Directors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Reserves policy

Reserves are held by the School to cope with unexpected events such as falls in income or exceptional items of expenditure. This is important to ensure the School has sufficient reserves while it takes remedial action if necessary, thereby creating stability.

Free reserves of the charity at 31 August 2023 were in surplus by £3,849,715 (2022: £3,107,625), however this includes a loan and mortgage debt attached to the property of £2,368,987 (2022: £2,487,856), so free reserves excluding any secured balances amounted to a surplus of £1,480,730 (2022: £619,769). Included in this balance is the receipt of fees in advance which are accounted for as deferred income. There is no future cash flow associated with the receipt of advance fees, this along with the preparation of detailed budgets showing a positive cash flow enables the Trustees to conclude that there is no material uncertainty relating to going concern in this regard. Trustees aim to maintain at least three month's of operational costs as cash balances which at 31 August 2023 would amount to £1,592,844 (2022: £1,401,885), the actual cash balance was £1,176,868 (2022: £898,628).

Principal risks and uncertainties

In consultation with key management the Trustees continue to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time. It monitors the effectiveness of the system of internal control and other viable means, including insurance cover where appropriate, by which those risks already identified can be best mitigated. The Directors, Senior Leadership Team and all staff work hard to ensure the school maintains its high quality and holds firm to its core values. They also strive to make sure there is a whole school appreciation of the importance of pupil recruitment. There is also a culture of embracing change and diversification, where this is set to improve the school, such as;

1. Selectivity and academic drive in general and the introduction of an 11+ entrance test.
2. The school sets its own educational direction, tactics and strategic direction and is courageous in maintaining an outstanding provision which is professionally determined and rigorously maintained.

Principal funding

The principal funding source to enable the School to operate in its normal course of business remains the fees paid by parents. The School does not have any endowments.

Review of the year

During the year under review the School recorded a surplus of income over expenditure of £742,090 (2022: £522,852)

BABINGTON HOUSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management

Constitution

Babington House School Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr C Turner

Mr J Frankish

Mr M Hannibal

Mr W Magill

Ms H Porter-Aslet

Mr B Roberts

Mr G Scotchbrook

Mrs E Channon

Recruitment and appointment of trustees

New Directors are recruited by approaching individuals whose area of expertise is considered will help the school pursue its endeavours. The school also seeks the active involvement of parents. After meeting existing Directors under the guidance of the Chairman, applicants are either accepted or rejected. Suitable induction training is arranged.

Organisational structure

The Trustees, with the help of the Headmaster, are responsible for the overall direction of the school. The running of the school is the responsibility of the Headmaster, with the help of his Senior Leadership Team.

Induction and training of trustees

Suitable induction training is arranged for each new Trustee appointed.

Remuneration policy

The Headmaster's pay and remuneration is set by the Chairman of the Governors, other Governors and advisors following appraisal. The rest of the Senior Leadership Team have their pay and remuneration recommended to the Pay Committee by the Headmaster following appraisals.

Relationship with related parties

There are relationships with some of the Directors who have children in attendance at the school. School fees are charged to these Directors in line with all pupils on an arm's length basis.

Financial risk management

The Directors have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The School looks to achieve a full Roll and has two form entry from Reception class through to Year 11.

BABINGTON HOUSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Auditor

In accordance with the company's articles, a resolution proposing that Knill James LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

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Mr C Turner

Trustee

Date:

BABINGTON HOUSE SCHOOL LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees, who are also the directors of Babington House School Limited for the purpose of company law, are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select 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 operation.

The trustees are responsible for keeping adequate accounting records that 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.

BABINGTON HOUSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BABINGTON HOUSE SCHOOL LIMITED

Opinion

We have audited the financial statements of Babington House School Limited (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

Other information

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

BABINGTON HOUSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BABINGTON HOUSE SCHOOL LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' 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 strategic report or the directors' report included within the trustees' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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.

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company complies with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

BABINGTON HOUSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BABINGTON HOUSE SCHOOL LIMITED

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the Trustees' report, remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

We identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and 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 is available on the Financial Reporting Council's website at: <https://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.

David Martin FCA (Senior Statutory Auditor)

for and on behalf of Knill James LLP

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Chartered Accountants

Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU

BABINGTON HOUSE SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
	Notes						
Income from:							
Charitable activities	2	7,066,569	-	7,066,569	6,003,162	-	6,003,162
Other trading activities	3	35,233	-	35,233	127,203	-	127,203
Investments	4	11,991	-	11,991	24	-	24
Total income		7,113,793	-	7,113,793	6,130,389	-	6,130,389
Expenditure on:							
Charitable activities	5	6,371,379	-	6,371,379	5,607,537	-	5,607,537
Other	9	324	-	324	-	-	-
Total expenditure		6,371,703	-	6,371,703	5,607,537	-	5,607,537
Net income for the year/ Net movement in funds		742,090	-	742,090	522,852	-	522,852
Fund balances at 1 September 2022		3,107,625	2,654,181	5,761,806	2,584,773	2,654,181	5,238,954
Fund balances at 31 August 2023		3,849,715	2,654,181	6,503,896	3,107,625	2,654,181	5,761,806

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BABINGTON HOUSE SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		8,654,583		8,387,133
Current assets					
Debtors	12	228,548		224,380	
Cash at bank and in hand		1,176,868		898,628	
		<u>1,405,416</u>		<u>1,123,008</u>	
Creditors: amounts falling due within one year	14	<u>(1,309,776)</u>		<u>(1,364,420)</u>	
Net current assets/(liabilities)			95,640		(241,412)
Total assets less current liabilities			8,750,223		8,145,721
Creditors: amounts falling due after more than one year	15		(2,246,327)		(2,383,915)
Net assets			<u>6,503,896</u>		<u>5,761,806</u>
Income funds					
Unrestricted funds - designated	18	2,654,181		2,654,181	
Unrestricted funds - general		3,849,715		3,107,625	
		<u>6,503,896</u>		<u>5,761,806</u>	

The financial statements were approved by the Trustees on

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Mr C Turner

Trustee

Company registration number 00610514

BABINGTON HOUSE SCHOOL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	23		981,207		856,904
Investing activities					
Purchase of tangible fixed assets		(596,089)		(1,000,888)	
Investment income received		11,991		24	
Net cash used in investing activities			(584,098)		(1,000,864)
Financing activities					
Repayment of bank loans		(118,869)		309,128	
Payment of obligations under finance leases		-		(6,139)	
Net cash (used in)/generated from financing activities			(118,869)		302,989
Net increase in cash and cash equivalents			278,240		159,029
Cash and cash equivalents at beginning of year			898,628		739,599
Cash and cash equivalents at end of year			1,176,868		898,628

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

Babington House School Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Babington House School, Grange Drive, Chislehurst, Kent, BR7 5ES.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

School fees receivable are charged for services and use of the premises are accounted for in the period in which the service is provided.

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years straight line
Fixtures and fittings	25-33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the charitable company at the discretion of the Trustees.

Designated funds comprise of unrestricted funds that have been set aside by the Trustees for particular purposes. The aim of each designated fund is set out in the notes to the financial statements.

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

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

2 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fees	6,572,088	5,709,968
Disbursements	417,588	255,880
Registration fees	27,050	23,500
Other income	49,843	13,814
	<u>7,066,569</u>	<u>6,003,162</u>

3 Other trading activities

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Fundraising events	<u>35,233</u>	<u>127,203</u>

4 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	<u>11,991</u>	<u>24</u>

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

5 Charitable activities

	Provision of Education 2023 £	Provision of Education 2022 £
Staff costs	3,004,269	3,029,161
Examination fees	13,542	11,447
Education requisites	99,731	96,394
School trips	173,742	51,412
Non-payroll staff costs	66,022	21,973
	<hr/>	<hr/>
	3,357,306	3,210,387
	<hr/>	<hr/>
Share of support costs (see note 6)	3,002,613	2,383,605
Share of governance costs (see note 6)	11,460	13,545
	<hr/>	<hr/>
	6,371,379	5,607,537
	<hr/>	<hr/>

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
Staff costs	1,163,761	-	1,163,761	705,467	-	705,467
Depreciation	328,316	-	328,316	260,375	-	260,375
Legal and professional fees	78,140	-	78,140	28,604	-	28,604
Advertising	76,691	-	76,691	67,927	-	67,927
Catering	310,682	-	310,682	305,811	-	305,811
Utility charges	64,182	-	64,182	40,083	-	40,083
Motor and travel costs	63,937	-	63,937	50,870	-	50,870
Printing, postage and stationery	69,500	-	69,500	103,087	-	103,087
Debt collection costs	17,056	-	17,056	21,834	-	21,834
Staff training and recruitment	76,363	-	76,363	104,934	-	104,934
Telephone	25,204	-	25,204	17,425	-	17,425
Computer costs	140,158	-	140,158	103,426	-	103,426
Bad debt cost	(12,458)	-	(12,458)	(3,601)	-	(3,601)
School activities	155,579	-	155,579	97,526	-	97,526
Premises	308,385	-	308,385	261,229	-	261,229
Insurance	40,137	-	40,137	39,673	-	39,673
Interest	96,250	-	96,250	74,199	-	74,199
Other	-	-	-	104,736	-	104,736
Charitable donations	730	-	730	-	-	-
Audit fees	-	11,460	11,460	-	13,545	13,545
	<u>3,002,613</u>	<u>11,460</u>	<u>3,014,073</u>	<u>2,383,605</u>	<u>13,545</u>	<u>2,397,150</u>
Analysed between						
Charitable activities	<u>3,002,613</u>	<u>11,460</u>	<u>3,014,073</u>	<u>2,383,605</u>	<u>13,545</u>	<u>2,397,150</u>

Governance costs includes payments to the auditors of £9,900 (2022-£8,340) for audit fees.

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Teaching staff	54	49
Classroom support	52	43
Adminstration	18	18
Total	<u>124</u>	<u>110</u>

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

8 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	3,318,829	2,989,911
Social security costs	330,976	287,157
Other pension costs	518,225	457,560
	<u>4,168,030</u>	<u>3,734,628</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
In the band £60,001-£70,000	1	1
In the band £70,001-£80,000	3	1
In the band £110,001-£120,000	-	1
In the band £120,001-£130,000	1	-
	<u>1</u>	<u>1</u>

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>412,526</u>	<u>412,713</u>

9 Other expenditure

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net loss on disposal of tangible fixed assets	324	-
	<u>324</u>	<u>-</u>

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

11 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Fixtures and fittings £	Total £
Cost				
At 1 September 2022	8,439,391	78,837	1,570,874	10,089,102
Additions	308,853	79,917	207,319	596,089
Disposals	-	-	(493,421)	(493,421)
Transfer between classes	78,837	(78,837)	-	-
At 31 August 2023	8,827,081	79,917	1,284,772	10,191,770
Depreciation and impairment				
At 1 September 2022	462,504	-	1,239,464	1,701,968
Depreciation charged in the year	130,836	-	197,480	328,316
Eliminated in respect of disposals	-	-	(493,097)	(493,097)
At 31 August 2023	593,340	-	943,847	1,537,187
Carrying amount				
At 31 August 2023	8,233,741	79,917	340,925	8,654,583
At 31 August 2022	7,976,887	78,837	331,409	8,387,133

Included in land and buildings is freehold land at deemed cost of £2,325,000 (2022 - £2,325,000), which is not depreciated.

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	97,074	111,979
Other debtors	1,091	20,528
Prepayments and accrued income	130,383	91,873
	228,548	224,380

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

13 Loans and overdrafts

	2023 £	2022 £
Bank loans	2,368,987	2,487,856
Payable within one year	122,660	120,568
Payable after one year	2,246,327	2,367,288
Amounts included above which fall due after five years:		
Payable other than by instalments	1,835,989	1,785,820

The loan balance comprises two loans from Lloyds Bank Plc.

The first loan was taken out in June 2021. The loan is secured by a legal charge over the freehold land and buildings and by a debenture over the assets of the Charitable Company. The loan is repaid in monthly instalments with interest charged at 3.45% for 60 months, then 2.45% above base rate going forward. The loan is repayable in 15 years from the first drawdown.

The second loan was taken out in July 2022. The loan is secured by a legal charge over the freehold land and buildings and by debenture over the assets of the Charitable Company. The loan is repaid in monthly instalments with interest charged at 2.45% above base rate. The loan is repayable in 15 years from the first drawdown.

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	13	122,660	120,568
Other taxation and social security		90,151	67,887
Deferred income	16	359,129	343,974
Trade creditors		176,291	209,542
Other creditors		529,895	443,303
Accruals and deferred income		31,650	179,146
		1,309,776	1,364,420

15 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	13	2,246,327	2,367,288
Deferred income	16	-	16,627
		2,246,327	2,383,915

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

16 Deferred income

	2023 £	2022 £
Other deferred income	359,129	360,601
Deferred income is included in the financial statements as follows:		
	2023 £	2022 £
Deferred income is included within:		
Current liabilities	359,129	343,974
Non-current liabilities	-	16,627
	359,129	360,601
Movements in the year:		
Deferred income at 1 September 2022	360,601	117,246
Released from previous periods	(360,601)	(117,246)
Resources deferred in the year	359,129	360,601
Deferred income at 31 August 2023	359,129	360,601

Income has been deferred in respect of school fee income, extra curricular activity income and school trip income received relating to the next financial year.

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Retirement benefit schemes

The School operates two pension schemes for the benefit of employees. The Teachers' Pension Scheme (TPS), a defined benefit scheme, is available to all teachers. All other staff can enter a defined contribution scheme.

Defined contribution

The assets of the scheme are held separately from those of the School in an independently administered fund. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. Contributions payable by the company in the year amounted to £199,317 (2022 - £46,462). The Contributions amounting to £19,783 are payable to the scheme as at 31 August 2023 (2022 - £60,847) and are included within creditors.

Teachers' Pension 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 schools and, from 1 January 2007, automatic for teachers in part time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years 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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. 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 23.6% of pensionable pay (including a 0.8% 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;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and the 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 is 4.45%.

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Retirement benefit schemes

(Continued)

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The total pension costs paid to TPS in the period amounted to £318,908. The Contributions amounting to £105,695 are payable to the scheme as at 31 August and are included within creditors. A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

A copy of the latest valuation report and supporting documentation can be found on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>)

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

The charity has set out the above the information available on the scheme.

18 Unrestricted funds - designated

These are unrestricted funds which are material to the charitable company's activities made up as follows:

	Movement in funds		Movement in funds		
	Balance at 1 September 2021	Incoming resources	Balance at 1 September 2022	Incoming resources	Balance at 31 August 2023
	£	£	£	£	£
Designated funds	2,149,814	-	2,149,814	-	2,149,814
Building fund	447,094	-	447,094	-	447,094
Old Babingtonians	57,273	-	57,273	-	57,273
	2,654,181	-	2,654,181	-	2,654,181

Designated funds represent amounts set aside for the upkeep and improvement of the school building.

19 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Total Unrestricted funds 2023 £	Designated funds 2022 £	Total 2022 £
Fund balances at 31 August 2023 are represented by:					
Tangible assets	6,000,402	2,654,181	8,654,583	8,387,133	8,387,133
Current assets/(liabilities)	95,640	-	95,640	(241,412)	(241,412)
Long term liabilities	(2,246,327)	-	(2,246,327)	(2,383,915)	(2,383,915)
	3,849,715	2,654,181	6,503,896	5,761,806	5,761,806

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

20 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	80,024	16,700
Between two and five years	232,356	16,685
In over five years	453,333	-
	<u>765,713</u>	<u>33,385</u>

21 Capital commitments

At 31 August 2023 the charitable company had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	-	9,799
	<u>-</u>	<u>9,799</u>

22 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>412,526</u>	<u>412,713</u>

BABINGTON HOUSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

23	Cash generated from operations		2023 £	2022 £
	Surplus for the year		742,090	522,852
	Adjustments for:			
	Investment income recognised in statement of financial activities		(11,991)	(24)
	Loss on disposal of tangible fixed assets		324	-
	Amortisation and impairment of intangible assets		130,836	85,856
	Depreciation and impairment of tangible fixed assets		197,480	174,519
	Movements in working capital:			
	(Increase) in debtors		(4,169)	(63,066)
	(Decrease) in creditors		(71,891)	(106,588)
	(Decrease)/increase in deferred income		(1,472)	243,355
	Cash generated from operations		981,207	856,904
24	Analysis of changes in net (debt)/funds			
		At 1 September 2022 £	Cash flows £	At 31 August 2023 £
	Cash at bank and in hand	898,628	278,240	1,176,868
	Loans falling due within one year	(120,568)	(2,092)	(122,660)
	Loans falling due after more than one year	(2,367,288)	120,961	(2,246,327)
		(1,589,228)	397,109	(1,192,119)