



BENENDEN



BENENDEN SCHOOL (KENT) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

Registered Company No: 196353

Charity No: 307854

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Chairman of Governing Council's Introduction

In presenting the annual report and accounts for Benenden School for the year to July 2020 we are, as always, delighted to be able to pay tribute to great educational achievements by the pupils as well as being able to reflect with pleasure on the increasingly significant contribution the School is making in working with its counterparts in the state sector and as a voice within the independent sector. The Head's Report details just a few of the many individual and collective successes which serve as hallmark of a busy and stimulating year.

What sets this year apart is that so much has been achieved both within the School and in our partnerships with others against a backdrop of almost continuous uncertainty in the wider environment; our minds go immediately to the Coronavirus pandemic and the extraordinary level of disruption that has caused but it is worth remembering that we started the year focussed on the potential implications for our sector of Brexit and the possibility of a change of government following a General Election. Coronavirus then emerged as a risk which rapidly turned into a full scale event and a genuine "crisis" requiring a very rapid operational response on the part of the entire community. Every member of the community responded very positively to the challenge of closing the Campus for only the second time in the School's history (the first being during World War II) and School life was transformed within a very short space of time.

For the remainder of the academic year the priority was to ensure that the pupils continued to receive the highest quality and broadest education possible while confined to their homes. Alongside this the Senior Team and Governing Council worked extensively to ensure that the School's finances were secured in the short term. Like all organisations we managed these short term operational imperatives against a backdrop of constantly changing government guidelines affecting the operation of schools as well as the ever changing scientific landscape; from this busy and challenging period we have learnt much which will be of value as we move forward.

While the pandemic is clearly going to be with us for some while yet and will have a lasting impact in ways which we cannot yet fully assess, we continue to guide the School forward to its forthcoming Centenary and beyond; we have been keen to keep a healthy focus on the long term and therefore to maintain momentum on the strategic imperatives already identified. In particular:

- work has continued on academic priorities - and the aim of developing the School's digital classroom capability received a Covid triggered boost;
- our commitment to collaboration with local state sector schools and in particular our partnership with the John Wallis Academy in Ashford has continued to develop and thrive throughout the year. The pandemic period provided its own opportunities and we have collaborated extensively on online teaching and more recently we have been able to provide access to the onsite Covid testing capability we were fortunate enough to procure;
- while suffering from some Covid related delays the redevelopment of the Hall and Music School has progressed and we have also done significant planning on other aspects of refreshing School facilities;
- we were able to announce our decision to admit a small number of day boarders from September 2021 in order to respond to the changing needs of our market; and

- we have made significant progress on our long term aim to secure alternative sources of revenue to enable us to implement a bold vision for the future of fee supported places at the School. This initiative is crucial to the School's future ability to recruit pupils from a wide range of backgrounds who will be able to benefit from the Complete Education which is our hallmark.

In conclusion I look back on a year which has certainly been unpredictable, challenging and fast paced; it has also been a year in which a great deal has been accomplished both within and by the School. We must assume that the pandemic will continue to have a significant impact throughout the year now underway and beyond, as reflected in our statement of risks set out in this report. Notwithstanding that Governing Council is confident that the School's financial and strategic position is secure and that it is well positioned to continue to navigate through the uncertainties which lie ahead.

The Hon Mrs A Birkett MA, MBA

Head's Report

Review of the Year

Activities and Achievements

Our aim at Benenden is to provide each pupil with a Complete Education. This is achieved through a stimulating, and stretching curriculum, complimented by a wealth of co-curricular opportunities and a specific focus on personal growth and community awareness. We challenge ourselves to ensure that this is a Complete Education of excellence and to this end we strive to ensure that, through a robust ongoing review of our offering and resources, we are able to deliver to every girl this aim

Our Complete Education is, of course, supported by 'Benenden Boarding' for all, where girls enjoy all that our boarding school provides, with the additional benefit of being able to have regular access to home through weekend leaves and an active engagement with parents who regularly visit and attend a myriad of events at weekends. We were excited to announce earlier this year that from September 2021 we will be offering a limited number of 'day boarding' places at Year 9 and 12 entry to local girls wishing to immerse themselves in our educational provision, the only difference being that they will sleep at home.

We continue to work hard to ensure that the bespoke, innovative and creative approach we take to our curriculum continues to thoroughly prepare the girls for public exams and provide them with the skills that will enable them to thrive to higher education and into a continually evolving and competitive workplace. In response to this, we have continued to evolve and now monitor an individual's progress within each of the five areas of our Complete Education model that translate across academic excellence, co-curricular participation, and personal development. They are: Skills for Life, Global Awareness, Mind and Spirit, Physical Health and Wellbeing, and Creativity and Culture.

At the heart of personal development sits community responsibility and our pupils recognising the responsibility they have in this regard. This is underpinned by our extensive partnership programme.

To this end, the School's Outreach programme continues to grow with over two thirds of girls in the Upper School actively volunteering to get involved with the community beyond the School. In addition to existing commitments – which include helping at the village primary school, shop and café, and a local day centre for adults with learning disabilities – activities include girls reading to and running sports clubs for children at another primary school and helping a charity for the elderly by working in their charity shop and socialising with residents. Girls are also using technology to mentor young people overseas and it is our aim to develop this further. During Covid-19, we have been in the fortunate position to share with local schools the use of our SAMBA 2, POC testing machine.

Partnerships

The numerous partnerships that we are involved with include both staff and students and are defined by the reciprocal benefits of these mutual relationships. During the year, the School contributed £62,000 with respect to time on partnership activities.

The John Wallis Academy

Benenden is one of four sponsors for The John Wallis Church of England Academy (TJWA) which serves the Stanhope estate in Ashford. The School works closely with the Principal and Senior Leadership Team and has been delighted with the growing success of the TJWA in terms of

reputation, results, inspection reports, numbers, and aspiration of its pupils. We are delighted with our reciprocal relationship which includes shared governance and weekly meetings between the Heads of both schools to discuss operational and strategic matters. Extensive academic collaboration involves termly meetings between Heads of Departments where good practice and resources are shared, a student mentoring programme, Department Reviews and Teacher training placements are reciprocal between both schools and Benenden provides support to students from the JWA with University applications, preparation for Oxbridge and medicine tests and interviews. During the national lockdown we were delighted to support the Academy with remote A level teaching in Science and online mentoring between our students and those from the Academy at both Primary and Secondary levels. Discussions are underway to see how we can develop the opportunities presented by remote learning further, including lesson observations, sharing recorded lessons and online resources. There are a range of collaborations between the two schools across co-curricular departments as well, including dance, music and CCF departments.

Volunteer Programme

More than 70 pupils are involved in volunteering and each week the girls are helping at a variety of organisations, including local schools, charities, and care homes. Volunteering also includes mentoring via Skype to some of the poorest children in Nairobi. The number of students participating in the volunteer programme and the opportunities available has significantly increased year on year. Benenden funds the staffing and support necessary to make this happen.

Kent Academies Network

Benenden is also a member of the Kent Academies Network (KAN) and is a key participator in the KAN programme designed to support students from underprivileged backgrounds to aspire to higher education. Benenden is very well represented at the residential schools during the Easter and Summer holidays and a member of the Benenden staff sits on the KAN committee.

Local Schools

The School has provided teaching support in GCSE Music to Cranbrook School and previously supported their Classics Department. One of our senior management team (SMT) is on their governing body (a number of Benenden staff are governors at a range of schools from both independent and state sector institutions.) We have also aided Cranbrook through provision of inset and support with recruitment. Through our recognition as a member of Confucius Classroom, our Mandarin Department promotes the teaching of Chinese to other schools.

Benenden Village Shop

The School-owned village shop which is leased to the Village Community Group for a nominal rent continues to prosper, providing a key service to the community. Benenden girls provide support through the volunteer programme helping in the shop, serving behind the counter and in the café. Benenden has also supported the shop and village through hosting wine events aimed at boosting community links between school and village and helping promote the wine trade of the shop.

Charitable Fundraising

As a community, the School has always worked hard to support others through its charitable work and its programme of outreach activities. Charitable fundraising at the School is strong: in the year 2019-2020, the School raised £14,064 for a wide range of organisations and causes both in the UK and abroad. Some of these included The Wealy Family Hub (£3,000); Sanitary Aid (£2,080); Gurka Welfare Trust (£1,683); Pahar Trust Nepal (£1,683); Bloom Nepal (£1,683); The Sam West Foundation (£1,530) and Cancer research UK (£1,576). In addition, the School community of pupils and staff raised further charitable funds through a range of activities. As well as raising funds, students and staff also participated in the Operation Christmas Child Shoebox Appeal. Most of these activities are

student-led initiatives which the School staff support and facilitate.

Welcoming the Community

The School continues to offer its facilities to local and overseas users with several organisations regularly using the sports centre, swimming pool, all-weather pitch, and the tennis courts. The Eco-Classroom is available for use by local schools. Kent Music has now been running their popular summer school here at Benenden for more than 40 years. Although this year the School is unable to host the village fireworks event on site due to the ongoing Covid situation, it is hoped this will proceed as usual next year.

Benenden hosts two local groups supporting the elderly and disabled providing teas, musical entertainment and the good company of our students, this has been impacted by the events of this year however, it is hoped the School can continue this support

Bursaries and Scholarships

The School is pleased to have been in a position to fully fund bursaries for twelve girls' academic and pastoral studies during the year. Selection for the fully funded places took place over a prolonged period of assessment and involved much consultation with Heads of local primary schools to identify suitable candidates.

The full amount of scholarships, bursaries and allowances awarded by the School and the Hong Kong Trust was £1,272,000 (2019: £1,301,000) of which £1,096,000 (2019: £1,151,000) was given by the School to provide financial assistance and reward academic, sporting and musical excellence. This resulted in 22.9% (2019: 24.7%) of pupils receiving fee concessions from the School, which vary from a little support of 10% to a full bursary of 110%. The School no longer attaches a monetary value to academic scholarships awarded choosing instead to increase the number of pupils benefiting from bursary support.

Benenden is a relatively young foundation and therefore does not benefit from an endowment to support enabling wider access through offering fully funded places. Nevertheless, it is the School's firm ambition through a very ambitious strategy to significantly increase the number of fully funded and subsidised places we can offer in the future. We regard continuing to diversify our pupil body as an absolute priority.

Overview of the Year

The start of the academic year saw the appointment of three new Deputy Heads, because of retirements, and the creation of two new senior positions on the Senior Management Team, one to oversee strategic projects for the School and the other to focus on ongoing curriculum and staff development. The Academic Deputy Head has focused closely on the oversight of pupil progress through very close monitoring and consistent excellent teaching as students continue to develop the skills to 'grapple' with concepts, articulate ideas and use their knowledge effectively and with creativity.

Prior to the disruption of lockdown, the rhythm of the school year saw numerous highlights. There has been a strong focus on all things STEM including a Physics trip to CERN, a Model Rocket Car day and a fabulous British Science Week, which featured a wide array of expert speakers and experiments taking place to showcase the benefits of STEM, while there are numerous scientific research projects underway. In addition, we enjoyed the outstanding production of Sister Act performed over four nights to packed audiences, success in the National Lacrosse Tournament, the further development of our work within the community and the senior girls taking a strong lead with pupil mentoring and leading numerous initiatives within the School. Although the Music Department does not currently

have a home, as the building of the new Music School continues, the output from the department continues and in the run-up to Christmas we were delighted to launch Make We Merry, our first commercial festive CD which featured specially commissioned pieces.

The last academic year has been one like no other owing to Covid-19. In many ways it has seen us evolve at a speed which we would not have imagined. The operation of the School had to rapidly change in March when schools were closed, and this prompted us to transfer our whole educational operation online for the duration of the Summer Term. The teaching and pastoral staff upskilled within days to be proficient to teach the full curriculum online via Teams and we adapted the timings of the day to accommodate the increased screen time for pupils and staff as well as girls studying from overseas across the globe. With GCSE and A Level exams cancelled, the Year 11 embarked upon preparatory teaching in their chosen A Level subjects and the Year 13 undertook a full post-A Level enrichment programme written specifically for them. Assemblies, Tutor and House meetings, and a comprehensive programme of co-curricular activities, including Music and Drama lessons, continued to be run online as well as weekend activities to mirror our Weekend Programme. The academic year finished with a live virtual Speech Day where we celebrated individual and collective successes as well as farewells made to each member of the Year 13 as they completed their school journey. We were also able to support our partner school, The John Wallis Academy, with remote A Level teaching in Science as well as technical support with using the learning platform, Microsoft Teams.

Benenden online has demonstrated the agility of the school community and a new level of technical provision and proficiency. This provides us with an exciting springboard for us to now develop this further as we continue to focus on our strategy.

Engagement with our former pupils (Seniors) continues to thrive with networking events across the country and dozens of Seniors supporting activities within the School through the Professional Skills Programme, work experience and mentoring both at university and beyond. We were delighted to launch our new online platform, Benenden Connects, which is rapidly providing those across our community to connect with the School and within six months of the launch we have 1,470 people signed up. Lockdown saw former pupils continue to connect, with older Seniors being contacted by members of the Benenden School Seniors' Association to provide companionship and support.

The building of the new School Hall and Music School continues, and we look forward to it opening in September 2021. This incredible facility is designed for the benefit of both the School and wider community where we intend to invite children from around the county to engage with numerous musical activities as well as encourage the local community more broadly to attend our exciting programme of concerts and events. The phased refurbishment programme of the Lower School boarding houses is underway, and we are benefitting from the involvement of the girls with furnishings and fittings.

We continue to make excellent progress with all aspects of the School's Centenary Vision, from our curriculum provision to facilities and community impact. Despite the national challenges that we all currently face, Benenden continues to adapt to these, develop and strengthen the Complete Education it offers all girls and support the education sector more broadly.

Academic

Over 80% of the 2020 leavers gained places at their first choice of university, with the vast majority studying traditional courses at Russell Group universities and some girls opting to study at the leading universities in the United States. Despite the complexities of the grading this year, we were delighted with the 40% A* grade rate at A level and the 62% Level 8 and 9 rate at GCSE (the equivalent of A*).

The table below shows the three-year comparison of academic results for these grades:

	2018	2019	2020
A Level entries achieving A*, A or B	86%	80%	93.9%
A Level entries achieving A* or A	63%	55%	74.3%
GCSE entries achieving A*, A or B (9-6)	97%	97%	93.2%
GCSE entries achieving A*/A (or equivalent*)	80%	79%	82.4%

Taking into account the national reforms from the A-G grading system to the 9-1 system

The School also uses other, often more valuable and informative, methods of measuring performance including the comparison with baseline testing on entry. An indicator of Benenden's ongoing achievement is the value-added achieved year on year at both GCSE and A Level which continues to be very positive.

Co-Curricular

Co-curricular activities remain a key strength of Benenden's offer. Our programme has been severely disrupted by lockdown restrictions, but this has not prevented the girls from recording a series of achievements across the co-curricular disciplines.

Our Choir released their first Christmas CD – Make We Merry, and our programme of Music concerts included performing Evensong with Eton College.

The biennial School Musical was Sister Act, which was a fabulous success, while the following term the younger girls performed Wickenden Hall, about the nostalgic world of a boarding school!

Our Model United Nations involvement continues to be strong, with girls achieving awards and gaining valuable experience at a range of conferences, including at Cambridge University, Wycombe Abbey and Oxford, while in December we hosted our 12th conference here at Benenden.

Our young sportswomen have enjoyed another successful year. For the second year running, our U16 Netball team qualified for the London and South East Tournament after making it through the incredibly competitive Kent county finals. Our Year 9/10 Tennis team made it to the South East Regional Finals, finishing in the top 16 out of 252 schools. Perhaps most notably, our 1st Lacrosse team had an outstanding National Schools Lacrosse Championship, finishing as runners-up.

The Engineering Club is currently constructing a microlight – inspired by a similar project by Benenden girls two years ago. This time the project is being run jointly with our partner school, The John Wallis Church of England Academy.

In Outdoor Education, 17 students and four staff trekked through Nepal in December, visiting charities that the School has supported. Eight girls have achieved the Gold Duke of Edinburgh's Award this year and candidates have been commended for contributing 1,469 hours of voluntary service in the local community

We held a poignant commemorative event for Capitaine Jean Maridor (Free French), a French pilot who died while saving the school buildings from a doodlebug 75 years earlier. Dignitaries and relatives joined pupils and staff on Remembrance Sunday to pay tribute to Capt Maridor, a pilot with 91 Squadron RAF who died while successfully preventing a flying bomb from hitting its target: the buildings of Benenden School which at the time were being used as a wartime military hospital.

Governing Council's Report

Objects and Aims

The principal objects of the Company are to promote and provide for the advancement of the education of school age pupils, and to hold lectures, exhibitions, concerts, public meetings, classes, conferences and other activities calculated directly or indirectly to advance the cause of education.

Benenden School's Aims for its Pupils

Benenden School aims to give each pupil a complete education in which she achieves her academic potential and grows as an individual. We want her to relish all that school life has to offer so that she leaves us as a confident, positive young woman truly prepared for her future.

We expect each girl to be a responsible and considerate global citizen who is outward looking, courageous and compassionate. We support her in being aspirational and in developing her interests and talents whilst learning to achieve balance in her life.

By emphasising the importance of spiritual growth, we hope that each girl will enjoy making a contribution to our happy and caring school and go on to be inspired to make a positive difference to whichever communities she finds herself in throughout her life.

We aim to do this by providing:

- an inspiring, challenging and responsive academic curriculum which balances the best of tradition and innovation;
- excellent and motivating teaching designed to encourage our girls to become independent, enquiring and critical thinkers;
- a framework of individual support devised to help each girl experience and benefit from a full programme of study balanced with a wide variety of cultural, creative, physical and fun activities;
- a culture of encouragement and support designed to develop self-reliance, resilience, confidence and wellbeing;
- the experience of learning to understand other people, working and living together with tolerance and compromise, whilst also offering a wide range of opportunities for leadership;
- careers and higher education guidance designed to help every student achieve her own personal goals, equipped with professional and life skills for university and beyond;
- a close partnership with parents so that school and home can work together to help every pupil make the most of her time at Benenden.

Benenden Values

In all that we do at Benenden, we aim to foster:

- **Belief in oneself:** integrity, independence, courage, endeavour, reflection, self-respect and self-confidence;
- **Belief in others:** trust, appreciation, consultation, understanding, generosity of spirit, tolerance and respect;
- **Commitment to learning:** an enthusiasm for and love of learning; and
- **Commitment to the community:** participation, service, responsibility, leadership, initiative, compassion and commitment to equality.

Objectives

The Directors confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Company. Ensuring best practice across the board is a priority and the School continues to develop its policies and procedures for monitoring and evaluating this.

The Governing Council confirms that they have complied with their duty as directors, to have regard to the matters in section 172(1) of the Companies Act 2006. This duty is to act in good faith, to promote the success of the School whilst having regard to:

- the consequences of any decisions in the long term;
- the interests of the School's employees;
- the need to foster business relationships with suppliers, customers and others;
- the impact of the School's operations on the community and the environment;
- the desirability of maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the charitable company.

The Governing Council has promoted the success of the School by acting in good faith to assist the School to meet its aims and objectives. During the course of the year the Governing Council and the Senior Management Team have been focused on responding to the challenges as a result of the Covid-19 pandemic. The challenges have been operational, financial, and strategic which has necessitated considerable time and effort to respond to the immediate issues and to consider the longer term implications of the pandemic on the School. Whilst the pandemic has had an impact on the operations and financial position of the School and will continue to do so for the foreseeable future, the Governing Council is satisfied that the School remains both operationally and financially in a stable and secure position. Further detail on the impact of Covid-19 can be found in the Head's Review of the Year, the Financial Review and Principal Risks and Uncertainties.

Attracting and developing excellent teachers remains a priority for the School. To support engagement with the profession our graduate teaching training package, together with an integrated professional development programme for teaching staff to support their progression to middle and senior leadership positions is well underway. Now with a dedicated member of the Senior Management Team overseeing this, plans are underway to develop this programme with other local schools so that collectively we share our commitment to supporting the development of outstanding teaching and leaders within the profession. Alongside this, we make active use of the Apprenticeship Levy funding to help develop colleagues in a range of support roles. We have a Staff Wellbeing group, with representatives from a wide range of roles within the School. This is chaired by the First Deputy and gives employees an opportunity to raise issues about any aspect of the School. There is a weekly staff meeting that all employees can either attend, in person or watch via a recording, in which issues can be raised. The Headmistress has a 'surgery' time on Wednesday mornings when any member of staff can drop in to discuss any concerns they may have. The HR department have an open door policy and staff are encouraged to come and see them about issues they may have.

Benenden School is committed to securing equality of opportunity through the creation of an environment in which everyone is treated as an individual. By respecting and using diversity we can maximise our impact through meeting individual needs and staying in touch with the changing societies in which we work.

Plans for Future Periods

The Centenary Vision Project (ten-year strategy plan) centres on a range of capital projects, together with fundraising for bursaries. The School remains committed to offering significant bursarial support

for pupils who attend Benenden on full Bursaries, which we have ambitious plans to significantly increase in the future. Phase one of The Centenary Vision identified the following development priorities:

- All-weather Pitch and Pavilion – completed September 2016
- Provision of eight units of family accommodation for staff – completed September 2016
- Development of the School Hall, Music School and West Wing teaching areas – to be opened September 2021

The single most ambitious development project that the School has undertaken is the development of the area of the site known as The West Wing. This footprint comprises of the Hall, Music School and West Wing teaching block. The renovation of the whole complex will be transformational for the School as we re-develop what will be 'The Heart' of Benenden which will be enjoyed daily by every girl in the School. Phase 1 of this development transformed the old West Wing teaching block into a newly refurbished building with updated classrooms and a new suite of staff working accommodation. This was completed in Easter 2018. The relocation of staff out of their facility in the Study Centre has, in turn, created both enhanced study space for the pupils adjacent to the Library and more classroom space.

The second phase of the development is the building of a new Hall and Music School, with the space and facilities to meet the requirements of a larger school. Work commenced in Spring 2019. The original Hall was built in the 1930s for two hundred and fifty girls (current roll is around five hundred and forty) and both the Hall and Music School will provide for the outstanding musical talent which continues to strengthen year on year at the School. The new complex will inspire the hundreds of girls who will pass through Benenden in the generations to come and it is our intention to open these wonderful spaces and facilities to young people from the local area so that they too can benefit from the musical opportunities the School can offer. All elements are due to be completed well in advance of the School's Centenary in 2023.

Development projects such as these are undertaken following extremely careful consideration by the School's Executive and Governing Council to ensure absolute confidence in the financial commitment that a building project such as this entails. The project is being financed by both the generous donations of the School's supporters and a long-term financing arrangement.

On 21 August 2019, Benenden International Limited (BIL), was incorporated as a wholly owned subsidiary of Benenden School (Kent) Limited. The purpose of BIL is to facilitate the School accessing the international school market or take on other options for business diversification should a suitable opportunity arise with the primary purpose of raising funds for bursaries. The Directors of BIL are made up of members of the Governing Council, the School Executive, and independent representatives. During the year BIL has been engaged in the negotiation of an international school licensing agreement which was signed subsequent to the year end.

Financial Review

From a financial perspective the aims of the Governing Council include generating sufficient income to ensure the School is in a sound financial position, maintaining and investing in the buildings and grounds of the estate and building the School's bursary provision. On a regular basis, the Finance Committee carefully reviews the financial results of the School, its cashflows on a short term and longer term basis, the level of borrowings and its capital expenditure. The outcome of these reviews is reported to and considered by the Governing Council.

The Covid-19 pandemic has had an impact on the financial results for this year resulting in lower net

income for the year than is usual. This is best illustrated by considering the net income for the year excluding Grants and Donations.

	2020	2019
	£ '000	£ '000
Net income after taxation	2,075	11,388
Less:		
Grants and donations (excl Government grant in 2020 and Trust transfer of assets in 2019)	(511)	(3,164)
Trust transfer of assets	-	(6,043)
Government grant	(910)	-
	<hr/>	<hr/>
Net income after taxation excluding grants and donations	654	2,181
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Income (excluding donations) decreased from £22.2m to £20.3m primarily due to a decrease in fees receivable resulting from a summer term fee reduction for remote learning due to the nationwide lockdown arising from the pandemic situation. As a major local employer, the Governing Council and Senior Management Team carefully considered the employment of the non-teaching staff when the School closed in March 2020. It was decided that the School would continue to employ all staff and pay them 100% of their salary. In order to help fund this, the School took advantage of the Government's furlough scheme to fund 80% of the cost, included above as a Government grant.

Expenditure decreased from £20.0m to £19.5m as a result of the school being closed for the summer term. The surplus achieved of £2.2m, including gifts, grants and donations, investment gains and trading income, enables the School to invest both for the future by way of capital projects such as the development of the new School Hall and Music School where significant borrowings have been undertaken and adequate surpluses are required to ensure that debt is serviced and, in its bursary programme. These financial results incorporate those of LASS Ltd which during the year continued as the main trading arm of the School. The principal activity of LASS continued to be the operation of the retail shop at Benenden. The shop stocks school uniform, stationery, sports equipment and pharmacy products for sale to the School community.

	2019	2020
Pupil numbers	555	537
Fee concessions as a percentage of gross fees	6.2%	6.5%
Direct teaching costs as a percentage of gross fees	38.5%	38.7%
Increase in school fees	3.27%	3.75%
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Reserves

At 31 July 2020, the School had unrestricted funds of £46.1m, of which £3.0m were designated, and restricted funds held for bursaries totalling £1.7m. The Governing Council has a long-standing policy to use revenue surpluses and borrowings as appropriate to improve the facilities and the overall educational service provided by the School. It is the intention of the Governing Council that this policy of developing and improving the School be continued and any unrestricted surpluses will be

used for this purpose.

The majority of designated funds relate to the Clarke Will fund of £2.9m, the income of which is used to assist in the funding of bursaries. Benenden, in line with all independent schools, offers a percentage of bursaries to support girls to attend the School or to continue at the School if their family falls into financial hardship.

The Governing Council Members continue to review the current asset position of the School to ensure that it has sufficient working capital to meet its obligations, having regard to the seasonal flow of income. The School anticipates that its on-going activities will allow it to build a modest level of reserves to support an on-going programme of development and improvements and to provide scholarships and bursaries. The Trustees regard 'free' reserves as being the reserves of the School after deducting fixed assets and any funds held as restricted or designated. On the basis described there is a deficit of free reserves of £7.0m (2019: £4.1m). Similar to many other independent schools, the School has invested heavily in fixed assets which have resulted in this deficit.

Advance Fees

The School operates an unsecured Fees in Advance (FIA) Scheme for the benefit of parents.

Fundraising Practices

Fundraising is conducted through the School's development office. The principal aims for the year were to secure ongoing donations towards the successful £5million Heart of Benenden Campaign, and to put plans in place for the launch of a significant and ongoing bursary fundraising initiative to increase significantly the charitable funding available for means-tested full bursaries. Alongside this, the School re-launched the Benenden Society as a lifelong membership organisation for all members of the School's community, with Benenden Connects – its new online home and an important mechanism through which members will participate – also successfully launched.

Key events during the year included dinners for parents at Ironmonger's Hall in London and at The Hong Kong Jockey Club although other planned events and fundraising activities were postponed due to the onset of Covid-19.

The School complies with the Fundraising Regulator's code of practice and there are no matters to report of the School failing to comply with fundraising standards and the School received no complaints about its fundraising activity in the year.

Energy and carbon statement

The School engaged its utility consultants Professional Energy Services to review its greenhouse gas emissions and energy use data to compile a report to meet the SECR reporting requirements. The report was produced using interval meter data, full year billing data, travel expense claims, fuel cards and onsite vehicle fuel data. The table below summarises the energy use relating to electricity, gas combustion and transport.

Electricity use	1,971,566 kWh
Gas combustion	5,081,011 kWh
Transport	143,211 kWh
Total	7,195,788 kWh

The greenhouse gas emissions associated with the energy use identified in the table above are as follows:

Electricity use	503.9 tCO ₂ e
Gas combustion	934.1 tCO ₂ e
Transport	36.1 tCO ₂ e
Total	1,474.1 tCO ₂ e

Due to expansion works within the grounds the exact square footage is not known and will be changing significantly. It has therefore been decided that the constant index will be pupil numbers. The intensity ratio for Benenden School is 2.74 tCO₂e per student for the reporting year (based on 538 students).

The methodologies used in the identification and calculation of the provided information followed the processes described in the GHG Reporting Protocol – Corporate Standard. GHG Conversion Factors for electricity, gas and transport were taken from the UK Government GHG Conversion Factors for Company Reporting 2019 except for the conversion factor relating transport mileage to kWh equivalents contained in the 2020 conversion factors document. Data on electricity use and gas consumption were acquired from recorded invoice data provided by Professional Energy Services. Data on transport came from mileage data calculated from recorded expenses claims.

In the year to 31 July 2020, the School has been active in gaining insight to its energy usage. Such measures have included the addition and active monitoring of sub meters in the staff accommodation as well having an Environmental Committee for pupils to raise energy efficiency awareness. These actions have resulted in a greater understanding of where energy is being consumed in the school and a higher awareness of best practice for energy efficiency. The School understands that more efficiencies can be achieved through adoption of technologies that will be reviewed in the coming years, some areas of focus will be onsite generation, storage, and LED lighting initiatives.

It is noted that the supply fuel mix will be taken into the procurement processes for energy with an active view on sourcing fully green electricity through certified and backed supply chain as well as bio-gas and carbon offsetting initiatives for natural gas supply.

Investment Policy

The Governing Council Members are empowered within the Memorandum and Articles of Association to invest any monies as authorised by law for the investment of trust monies in a manner they think fit. All investments have been acquired in accordance with the powers available to the Governing Council, of which the investment committee advise on the investment of School funds, including advance fee monies.

The investment portfolio is managed on a discretionary basis by Sarasin & Partners who were appointed in September 2019 following a formal tendering exercise. Since inception of the portfolio on 9 September 2019 up to 31 July 2020, the portfolio has achieved a total return of 6.4% versus the benchmark return of +0.9%. The portfolio benchmark is a composite benchmark which comprises of the following: ICE BofAML Sterling Corporate (7.5%), ICE BofAML UK Gilts All Stocks (7.5%), MSCI AC World ex UK (Local Currency) (GBP) (10%), MSCI AC World ex UK (Net Total Return) (40%), MSCI UK IMI (Net Return) GBP (20%), MSCI All Balanced Property Funds - One Quarter Lagged (5%), UK cash LIBOR 1 Month (Total Return) (10%).

The investments aim to provide a sufficient income for today's beneficiaries while preserving the real

capital value for future generations. As a measure of performance, the long-term return target has been set at UK inflation (CPI) +4% over a 5 year rolling basis.

Principal Risks and Uncertainties

The Directors continue to keep the School's activities under review and monitor performance.

Evaluation of Risk. The Risk Committee and the School Senior Management Team are heavily involved in assessing both the operational and strategic risks to the School. The School Risk Register is regularly reviewed and kept up to date by the Senior Management Team. Risks are then reviewed by the Risk Committee, a sub-committee of the School's Governing Council. In addition to reviewing the risks to the School from the executive team's perspective, the Risk Committee has a specific remit to examine and assess the possible impact of risks to the School from external sources. The Risk Committee meets three times per year. The Risk Register and the recommendations of the Risk Committee are reviewed annually by Governing Council and the Risk Committee reports to Governing Council prior to each board meeting.

Strategic Planning. The School Strategic Plan that is written by the Senior Management Team (SMT), and the School Development Plan that is derived from this, are reviewed to ensure that they are fit for purpose on a regular basis. Major strategic decisions are to be ratified by Governing Council (GC). This process ensures that all projects are assessed for risk and are not entered into without appropriate due diligence. Both financial and operational reporting is embedded within the working patterns of the School. Key Performance Indicators are used at all levels to aid with the process of identifying risks. Once identified, SMT and GC will together make decisions to mitigate those risks, calling upon professional expertise from external agencies if appropriate.

Financial Planning. The Finance Committee, in conjunction with the Director of Finance and Operations, is tasked with the development of financial models to counter each eventuality as circumstances dictate. These models are tested on a regular basis. The Vice-Chair of Council is Chair of the Finance Committee, with the work of the committee being reviewed by Governing Council.

Maintenance of educational quality. Educational excellence is at the heart of all that we do and the SMT is responsible for ensuring that this and the 'A Complete Education' programme are reflected in the School's strategic development plan. The SMT closely monitor the delivery of the educational offering in the academic, pastoral and co-curricular areas of the School. The School's success at achieving its educational aims and delivering its ethos is evaluated by both ISI and Governing Council supported by the Education Committee. Teaching standards are constantly under review within the School with the process being co-ordinated by the Senior Management Team. Pupil performance is regularly monitored with actions being taken to ensure that any issues are addressed. All staff are subject to an appraisal system to ensure that teaching and pastoral care remains at a high standard. Training is available to keep all staff up to date with current practice.

Ensuring safeguarding of pupils. The Governing Council reviews School policies relating to Safeguarding on a regular basis via the School Safeguarding and Pastoral Care sub-committee ensuring they are fit for purpose, are compliant and that they reflect School practice. The School Safeguarding and Pastoral Care sub-committee reports to the Governing Council on an annual basis with regular updates being provided when required. All staff are trained in Safeguarding upon arrival and throughout their time at the school on a three-year cycle with regular updates throughout the year.

Health and Safety. Health and Safety at the School is managed via the Health and Safety Committee. A risk assessment and management process is conducted at Estates Committee level and throughout

the School with regular reporting to Governing Council. This committee comprises of School officers and two members of the Governing Council and reports to Governing Council on a regular basis. In addition, there is an independent external Health and Safety audit of the School every two years.

The Directors consider that the major risks to which the School is currently exposed are:

1. **Covid 19.** Failure to correctly manage the impact of the Covid-19 pandemic will be the most significant risk to the School during this reporting period. This is likely to be the case for the short to medium and longer term. During the initial stages of the crisis, and in line with the School's Emergency and Disaster Policy, the School formed a Covid Response Group (CRG), consisting of members of Governing Council and the School executive, to provide a specific forum for decision making in response to the crisis. The CRG remains in place as planning the response for the Covid-19 pandemic moves from a short term operational to a longer-term strategic focus. As well as supporting the school in financial planning and management, the CRG provides a regular interface between the executive team and Governing Council for assistance with both short and longer term Covid planning.

Within the current reporting period, financial risk has been mitigated by a combination of use of the government's Furlough Scheme in combination with careful management of the School's operations. The School's financial planning strategy has for some years taken a cautious approach to generating a sufficient surplus to mitigate the impact of large scale, unforeseen events and School has been able to absorb the short-term financial effects of the pandemic.

To mitigate the risks to the School community, the School has adapted its working practices in both the academic and pastoral spheres so that the School is a safe environment to allow the return of all students and staff. Additionally, procedures have been put in place for dealing with outbreaks of the virus and to protect the School community. Though mitigating the risks to the health and welfare of all pupils and staff is by far the highest priority, it is also key to ensure that the financial risks to the School are reduced as far as is possible for the duration of the pandemic. Despite having these measures in place, however, there remains a high residual risk that the School will be impacted both operationally and financially in the year ahead by the virus.

The School has divided the possible risks to the School due to the longer term impact of the virus as follows:

- a. **High intensity of operations in Covid environment.** The School is currently operating at a very high intensity due to the nature of managing the risks associated with transmission and management of the virus. This has increased the demands on all staff and there is a general risk to staff wellbeing at all levels, requiring it to be carefully monitored and reserves put in place. The School has worked to recruit stand-by and replacement staff to ensure that there is sufficient capacity to meet the operational needs of the School. The School is also carefully monitoring staff well-being through the school management structure and via the Staff Wellbeing Committee, putting in place procedures to protect staff as required.
- b. **Long term impact on School operational capability.** Operationally, managing a school within the constraints of the crisis will place a high demand on staff as well as putting an additional burden on the School's finances. Any impact will be felt more keenly as the duration of the pandemic situation increases, particularly should there be another 'spike' in the levels of the virus over the coming year. The combined impact of these

factors might lead to a reduction in the capacity of the School to meet its educational aims. Planning to mitigate these effects is of the highest priority for the Senior Management Team.

- c. **Loss of Strategic Focus.** In line with the above, the uncertain duration of the crisis in combination with higher operational demands upon school leadership due to managing its effects, has increased the risk of the School becoming solely 'operationally focussed'. To mitigate this effect, the School executive, in conjunction with Governing Council will review progress against the School strategic aims on a regular basis.
2. **Economic and Political Risk.** The School has a robust system for assessing the effects of the changes in political and economic factors that may affect the operation of the School in the short, medium and longer term. Specific risk in this category are:
- a. **Post Covid economic effects.** The significant downturn in the economic situation both within the UK and worldwide has the potential to affect the quantity of students who are able to access education at the School. The Governing Council and Senior Management Team continue to carefully monitor the number of students entering the School as well as ensuring that there is scope for as broad a range of students to join the School as possible.
 - b. **Changes to the Teachers' Pension Scheme.** The School continues to evaluate the situation with regards to the changes with the Teacher's Pension Scheme. The Governing Council and Senior Management Team continue to work with the teaching staff, via a Pensions Committee, to assess the best possible options for the future.
 - c. **Brexit.** The overall economic and other impact of the end of the Brexit period, with or without an immediate trade deal, is not yet clear on the sector though the School remains prepared to absorb any short-term operational impact as well as factoring in possible longer-term impacts into its strategic planning.
 - d. **Imposition of business rates and VAT on schools within the Independent Sector.** This continues to be a risk to the School that is monitored by the leadership team.
 - e. **Loss of charitable status of schools in the Independent Sector.** The School continues to work hard to support the independent sector via its engagement with the HMC, BSA and the ISBA. The school takes its commitment to society seriously and makes a substantial contribution to charitable, partnership and outreach activities via its partnership with the John Wallis Academy, its work with the Kent Music School and through the School's Benenden Outreach and Community Programme.
 - f. **Geographical financial dependence.** A priority for the School is in ensuring that students from all parts of the globe and are able join the school community. Financially, the GC and SMT work to ensure that the risk for the School, due to the possibility of becoming dependent on one single market, is mitigated as far as possible.

Reference and Administrative Details

Benenden School (Kent) Ltd is a limited company with charitable status. The Directors of the company, who are the Trustees of the charity, are the members of the Governing Council of Benenden School. The School's directors, advisers and key staff are set out on pages 43 to 44.

Structure, Governance and Management

The Company was constituted on 13 March 1924. The Memorandum & Articles of Association have been amended over the years. The latest amendment was on 7 December 2018. The Company was granted Charitable Status in 1941.

The Nominations Committee is responsible for the recruitment of Governing Council members. Any prospective Governing Council Member must meet criteria set out by Governing Council including personal competence, specialist skills and availability. Nominations are discussed, and appointments made at Governing Council meetings. Induction is also organised by Governing Council together with the Headmistress and Director of Finance and Operations. Governing Council Members have access to AGBIS sponsored training workshops and other training as required.

The Governing Council Members determine the general policy of the School. Day to day management of the School is delegated to the Headmistress and the Director of Finance and Operations (who also serves as Company Secretary) with the Senior Management Team of the School.

The Charity has two wholly-owned non-charitable subsidiaries, Lime Avenue Sales and Services Limited (LASS Ltd) and Benenden International Limited (BIL), whose activities and trading performance are discussed in note 4 to the accounts.

The Benenden School Hong Kong Trust (the HKT) is independent of the School and the Governing Council, and no School shareholders are members of the HKT. Its objectives are to promote and provide for the advancement of education.

Policies Adopted for Setting Remuneration of Key Management Personnel

The Remuneration Committee reviews the pay and remuneration of all staff including the Senior Management Team as detailed on page 44. Consideration when setting pay is given to role and responsibilities, competitor salaries in the region, average salary for comparable positions in the sector, market trends and sector benchmarking which has been supplemented by the employment of external experts to review both SMT and teacher pay scales.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also the trustees of the charitable company) are responsible for preparing the Report of the Governing Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Directors are 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- a. there is no relevant audit information of which the charitable company and group's auditors are unaware; and
- b. the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution proposing the re-appointment of haysmacintyre as auditors will be submitted to the Annual General Meeting.

Report of the Governing Council, incorporating a Strategic Report, approved by the members of Governing Council on 3 December 2020 and signed on its behalf by



.....

Director
Anna Birkett

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BENENDEN SCHOOL (KENT) LIMITED

Opinion

We have audited the financial statements of Benenden School (Kent) Limited for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2020 and of the group's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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 group 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 17, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent 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.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Governing Council's Report (including the Review of the Year). Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of Governing Council (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of Governing Council (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of Governing Council (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

A handwritten signature in black ink that reads "Tracey Young". The signature is written in a cursive style with a large, sweeping initial 'T' and 'Y'.

Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

3 December 2020

BENENDEN SCHOOL (KENT) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted Funds				
		General	Designated	Restricted	Total	Total
		Funds	Funds	Funds	2020	2019
	Notes	£ '000	£ '000	£ '000	£ '000	£ '000
INCOME FROM:						
Charitable activities						
School fees	2	18,464	-	-	18,464	19,880
Ancillary trading income	3	1,516	-	-	1,516	1,867
Other trading activities						
Trading company	4	174	-	-	174	255
Investment income	5	13	20	7	40	161
Voluntary sources						
Grants and donations	6, 22	1,030	-	391	1,421	9,207
Total Income		21,197	20	398	21,615	31,370
EXPENDITURE ON:						
Raising funds						
Trading costs	4	160	-	-	160	214
Fundraising costs		262	-	-	262	325
Financing costs	8	361	1	-	362	156
Investment management		2	4	2	8	36
		785	5	2	792	731
Charitable activities						
Educational activities and grant making		18,559	-	174	18,733	19,250
Total Expenditure	7	19,344	5	176	19,525	19,981
NET INCOME BEFORE TAX		1,853	15	222	2,090	11,389
Taxation payable		15	-	-	15	1
NET INCOME AFTER TAXATION BEFORE INVESTMENTS GAINS		1,838	15	222	2,075	11,388
Investment gains	11	26	61	37	124	135
NET INCOME AFTER TAXATION AND INVESTMENTS GAINS		1,864	76	259	2,199	11,523
Transfers	18, 19	937	-	(937)	-	-
NET MOVEMENT IN FUNDS		2,801	76	(678)	2,199	11,523
Balance brought forward at 1 August 2019		40,353	2,932	4,791	48,076	36,553
Balance carried forward at 31 July 2020	17,18,19	43,154	3,008	4,113	50,275	48,076

The notes on pages 22 to 41 form part of these accounts. All amounts derive from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities. Comparative figures for unrestricted and restricted movements as shown in note 26.

	Notes	GROUP		CHARITY	
		2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
FIXED ASSETS					
Tangible assets	10	50,184	44,454	50,097	44,365
Investments	11	5,951	5,483	5,951	5,483
Investment in subsidiaries	11	-	-	-	-
		<u>56,135</u>	<u>49,937</u>	<u>56,048</u>	<u>49,848</u>
CURRENT ASSETS					
Stock		191	179	38	55
Debtors: amounts falling due within one year	12	864	1,552	816	1,551
Cash at bank and in hand		5,580	4,653	5,488	4,653
		<u>6,635</u>	<u>6,384</u>	<u>6,342</u>	<u>6,259</u>
CREDITORS: amounts falling due within one year	13	<u>(5,230)</u>	<u>(4,292)</u>	<u>(4,922)</u>	<u>(4,178)</u>
NET CURRENT ASSETS		<u>1,405</u>	<u>2,092</u>	<u>1,420</u>	<u>2,081</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>57,540</u>	<u>52,029</u>	<u>57,468</u>	<u>51,929</u>
CREDITORS: amounts falling due after more than one year	14	<u>(7,265)</u>	<u>(3,953)</u>	<u>(7,265)</u>	<u>(3,953)</u>
NET ASSETS		<u>50,275</u>	<u>48,076</u>	<u>50,203</u>	<u>47,976</u>
FUNDS AND CAPITAL					
Unrestricted Funds:	19				
- General		43,154	40,353	43,082	40,253
- Designated		3,008	2,932	3,008	2,932
Restricted Income Funds	18	4,113	4,791	4,113	4,791
Called up share capital	20	-	-	-	-
TOTAL FUNDS		<u>50,275</u>	<u>48,076</u>	<u>50,203</u>	<u>47,976</u>

The notes on pages 22 to 41 form part of these financial statements.

In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Benenden School (Kent) Ltd. The Charity income for the year was £21.4m (2019: £31.1m) with a surplus of £2.1m (2019: £11.3m).

The financial statements were approved and authorised for issue by the Governing Council on 3 December 2020 and signed on its behalf by:



.....
Governing Council Member: Anna Birkett



.....
Governing Council Member: Anne McNab

**BENENDEN SCHOOL (KENT) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2020**

	2020		2019	
	£ '000	£ '000	£ '000	£ '000
Net cash flow from operations				
Net movement in funds	2,199		11,523	
Depreciation charges (Note 10)	1,356		1,309	
Investment income	(40)		(161)	
Financing costs	362		231	
Investment managers charges	8		36	
Investment gains	(124)		(135)	
Transfer of assets from Trust	-		(6,067)	
Decrease/(increase) in debtors	688		(493)	
Increase in creditors (excluding fees in advance)	1,889		111	
(Increase) in stock	(12)		(14)	
(Decrease) in advanced fees	(657)		(643)	
Net cash provided from operations		5,669		5,697
Net cash flow from investing activities				
Investment income	40		161	
Investment managers fees	(8)		(36)	
Proceeds from sale of investments	3,377		2,457	
Purchase of investments	(3,721)		(2,736)	
Payments for tangible fixed assets	(7,086)		(3,329)	
Net cash used investing activities		(7,398)		(3,483)
Cash flows from Financing				
Cash inflows from new borrowing	2,955			
Financing costs	(362)		(231)	
Capital repayment of loans	-		(1,168)	
Net cash used in financing activities		2,593		(1,399)
Increase in cash and cash equivalents		864		815
Cash and cash equivalents at beginning of the period		4,569		3,754
Cash and cash equivalents at the end of the period		5,433		4,569

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£ '000	£ '000
Cash in hand and at bank	5,240	4,255
Cash on deposit	341	398
Bank overdraft (subsidiary)	(147)	(84)
	5,433	4,569

**BENENDEN SCHOOL (KENT) LIMITED
CONSOLIDATED CASH FLOW STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2020**

ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2019	Cash flows	Non-cash movements	At 31 July 2020
	£ '000	£ '000	£ '000	£ '000
Cash	4,255	(1,970)	2,955	5,240
Deposits	398	(57)	-	341
Bank overdraft (subsidiary)	(84)	(63)	-	(147)
	<u>4,569</u>	<u>(2,090)</u>	<u>2,955</u>	<u>5,434</u>
Loan: Greater than one year	-	-	(2,955)	(2,955)
	<u>4,569</u>	<u>(2,090)</u>	<u>-</u>	<u>2,479</u>

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Second Edition.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

Having reviewed the funding facilities available and the impact of Covid-19 to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governing Council have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future, particularly during a period where there is much disruption as a result of the international spread of Covid-19.

The Governing Council consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements

These financial statements consolidate the results of the School and its wholly-owned subsidiaries; Lime Avenue Sales & Services Ltd (LASS Ltd) and Benenden International Ltd, on a line by line basis.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 13 March 1924 (company number: 00196353) and registered as a charity in 1941 (charity number: 307854).

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Directors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the College's financial statements.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

1. ACCOUNTING POLICIES (continued)

1.3 Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Government grant income represents the total amount claimed from HMRC under the CJRS. The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

1.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure.

1.5 Taxation

Benenden School (Kent) is a registered charity and therefore, is not liable to income tax of corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. Income generated outside these charitable activities are liable to tax.

1.6 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £1,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £300 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred.

Other expenditure on equipment incurred in the normal day-to-day running of the School and its subsidiary is charged to the Statement of Financial Activities as incurred.

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

Freehold Property	- 2% on cost
Furniture and Equipment:	
- Furniture, Equipment and IT	- 33% on cost
- Motor Vehicles	- 33% on cost

No depreciation is provided on freehold land.

1.7 Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investments in subsidiaries are valued at cost less provision for impairment.

1. ACCOUNTING POLICIES (continued)

1.8 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

1.9 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governing Council either to further the School's Objects or to benefit the School itself. Where the Governing Council decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Advance fee funds represent the excess assets over liabilities in the old Fees Safeguard Plan which will be used for bursaries.

The Clarke Will fund has been set aside primarily for the funding of bursaries.

Restricted funds represent amounts donated to the School for specific purposes such as funding building developments, scholarships, seniors' bursaries and prizes.

1.10 Pension costs

Retirement benefits to employees of the School are provided through two pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

(a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

(b) The TPT Retirement Solutions (formerly The Pensions Trust) Growth Plan Fund - The plan is a multi-employer scheme, partly money purchase and partly with defined benefits. It is not possible to identify the School's share of the underlying assets and liabilities and therefore as required by FRS102, the School accounts for the scheme as if it were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of the deficit contributions. Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

1.11 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1.12 Financial instruments

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

1.13 Hedging arrangements

The School applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings.

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Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in other recognised gains and losses in the Statement of Financial Activities statement. Changes in fair values which are ineffective are recognised in financing costs within expenditure in the Statement of Financial Activities statement – in line with the hedge accounting treatment above.

Included within these financial statements is the fair value of an interest rate swap contract. The fair value of this interest rate swap is provided by the counterparty. However, the value of the swap is estimated based on the bank's projection of future libor rates and is therefore subject to the interest rate market.

2. SCHOOL FEES	2020	2019
	£ '000	£ '000
Fees receivable comprises		
Current fees	19,560	21,031
Less: Allowances, Scholarships and Bursaries	(1,272)	(1,301)
	<u>18,288</u>	<u>19,730</u>
Add: Amount from The Benenden School Trust	-	8
Amount from The Benenden School Hong Kong Trust	2	2
Bursaries and other awards paid for by restricted funds	174	140
	<u>18,464</u>	<u>19,880</u>

Scholarships, bursaries and other awards were paid to 123 pupils (2019: 137). Within this, means tested bursaries totalling £1,035,000 were paid to 36 pupils (2019: £998,000 to 37 pupils).

3. ANCILLIARY TRADING INCOME	2020	2019
	£ '000	£ '000
Fee income for extra subjects	980	1,089
Entrance and registration fees	69	57
Courses and sub-lettings	253	586
Other income	214	135
	<u>1,516</u>	<u>1,867</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)

4. INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

The Charity owns the whole of the share capital of Lime Avenue Sales & Services Ltd (LASS Ltd), a company registered in the United Kingdom with number 1794097. LASS Ltd continued as the main trading arm of the School and operated the School retail shop, supplying staff, pupils, visitors and the School with a range of products on a continuing basis.

Its trading results for the year, as extracted from the audited accounts, are summarised below:

	2020	2019
	£ '000	£ '000
Turnover	201	309
Cost of Sales	(111)	(187)
Gross Profit	<u>90</u>	<u>122</u>
Administrative Expenses	(76)	(82)
Operating profit	<u>14</u>	<u>40</u>
Interest payable	(2)	(3)
Net profit	<u>12</u>	<u>37</u>
Corporation Tax	-	-
Profit after Tax	<u>12</u>	<u>37</u>
Retained profit brought forward	100	95
Profit after Tax	12	37
Gift aid under covenant	(40)	(32)
Retained profit carried forward	<u><u>72</u></u>	<u><u>100</u></u>

Turnover includes £27,000 (2019: £55,000) supplied to the School, which is an intercompany transfer excluded on consolidation and does not show in the Statement of Financial Activities. At 31 July 2020 there was a £nil balance owed from the School to LASS Ltd (2019: £nil).

Its balance sheet for the year, as extracted from the audited accounts, is summarised below:

	2020	2019
	£ '000	£ '000
Fixed assets	87	90
Current assets	156	125
Less current liabilities	(171)	(115)
Net assets	<u><u>72</u></u>	<u><u>100</u></u>
Called up share capital	-	-
Profit and loss account	<u>72</u>	<u>100</u>
	<u><u>72</u></u>	<u><u>100</u></u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)

4. INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

The Charity owns the whole of the share capital of Benenden International Ltd (BIL), a company registered in the United Kingdom with number 12166808. As mentioned under plans for future periods, BIL was set up to explore the options for business diversification.

Its balance sheet for the year, as extracted from the audited accounts, is summarised below:

	2020	2019
	£ '000	£ '000
Current assets	138	-
Less: current liabilities	(138)	-
Net assets	-	-

At 31 July 2020 there was a £nil balance owed from the School to Benenden International Ltd.

5. INVESTMENT INCOME

	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Equities	8	18	7	33
Fixed interest	5	2	-	7
	<u>13</u>	<u>20</u>	<u>7</u>	<u>40</u>

COMPARATIVE INVESTMENT INCOME – 2019

	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Equities	29	77	46	152
Fixed interest	4	5	-	9
	<u>33</u>	<u>82</u>	<u>46</u>	<u>161</u>

6. GRANTS AND DONATIONS

	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Government Grants	910	-	-	910
Other	120	-	391	511
	<u>1,030</u>	<u>-</u>	<u>391</u>	<u>1,421</u>

COMPARATIVE GRANTS AND DONATIONS – 2019

	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Benenden School Trust	6,043	-	346	6,389
Other	1	-	2,817	2,818
	<u>6,044</u>	<u>-</u>	<u>3,163</u>	<u>9,207</u>

Includes one off transfer of assets from Benenden School Trust as explained in the financial review

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)

7. (a) ANALYSIS OF EXPENDITURE

EXPENDITURE	Staff Costs £ '000	Other £ '000	Depreciation £ '000	Total £ '000
Costs of raising funds:				
Trading costs	62	95	3	160
Fundraising costs	192	70	-	262
Financing costs	288	74	-	362
Investment managers fees	-	8	-	8
Total costs of raising funds	542	247	3	792
Charitable activities				
Education:				
Teaching costs	7,268	295	-	7,563
Welfare costs	3,016	590	-	3,606
Premises costs	356	1,137	1,061	2,554
Support & governance costs	2,407	2,137	292	4,836
Grants, awards and prizes	-	174	-	174
Total charitable expenditure	13,047	4,333	1,353	18,733
Total expenditure	13,589	4,580	1,356	19,525

7 (a) cont. COMPARATIVE ANALYSIS OF EXPENDITURE – 2019

EXPENDITURE	Staff Costs £ '000	Other £ '000	Depreciation £ '000	Total £ '000
Costs of raising funds:				
Trading costs	68	143	3	214
Fundraising costs	112	213	-	325
Financing costs	-	156	-	156
Investment managers fees	-	36	-	36
Total costs of raising funds	180	548	3	731
Charitable activities				
Education:				
Teaching costs	7,562	534	-	8,096
Welfare costs	2,545	972	-	3,517
Premises costs	358	1,386	1,055	2,799
Support & governance costs	2,407	2,040	251	4,698
Grants, awards and prizes	-	140	-	140
Total charitable expenditure	12,872	5,072	1,306	19,250
Total expenditure	13,052	5,620	1,309	19,981

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)

7 (b) GOVERNANCE INCLUDED IN SUPPORT COSTS	2020	2019
	£ '000	£ '000
Remuneration paid to auditor for audit services	31	33
Remuneration paid to auditor for other services	4	4
Governors reimbursement of expenses - travel	3	7
Other governance costs	104	84
	<u>142</u>	<u>128</u>
	<u><u>142</u></u>	<u><u>128</u></u>
Number of Governing Council members reimbursed for expenses in the year	6	6
 7. (c) MOVEMENT IN FUNDS	 2020	 2019
	£ '000	£ '000
Group net movement in funds is stated after charging:		
Depreciation	1,356	1,309
Operating lease rentals		
- land and buildings	-	-
- other	76	67
	<u>76</u>	<u>67</u>
	<u><u>76</u></u>	<u><u>67</u></u>
 7. (d) Grants, awards and prizes	 2020	 2019
	£ '000	£ '000
From restricted funds		
Bursaries and other awards	174	140
	<u>174</u>	<u>140</u>
	<u><u>174</u></u>	<u><u>140</u></u>
 8 FINANCING COSTS	 2020	 2019
	£ '000	£ '000
Fees in advance debt financing	7	6
Loan interest and bank charges	67	150
Change in fair value of Interest rate swap	288	-
	<u>362</u>	<u>156</u>
	<u><u>362</u></u>	<u><u>156</u></u>
 9. STAFF COSTS	 2020	 2019
	No.	No.
The average number employed by the company within each category of persons was:		
Teaching (including peripatetic teachers)	147	155
Welfare	35	34
Premises	13	13
Support	199	204
	<u>394</u>	<u>406</u>
	<u><u>394</u></u>	<u><u>406</u></u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)

9. STAFF COSTS (continued)

	£ '000	£ '000
The costs incurred in respect of these employees were:		
Wages and salaries	10,550	10,616
Social Security costs	1,085	1,061
Pension costs	1,667	1,375
Termination payment	30	-
	<u>13,332</u>	<u>13,052</u>

Aggregate employee costs of key management personnel	<u>817</u>	<u>890</u>
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	No.	No.
The number of higher paid employees was:		
Taxable emoluments band:		
£60,000 - £70,000	18	16
£70,000 - £80,000	4	6
£80,000 - £90,000	2	1
£90,000 - £100,000	2	2
£100,000 - £110,000	-	1
£130,000 - £140,000	-	1
£190,000 - £200,000	-	1
£200,000 - £210,000	1	-
	<u>1</u>	<u>-</u>
	=	

The number with retirement benefits accruing was:	No.	No.
In defined contributions schemes	5	5
In defined benefit schemes	22	23
	<u>27</u>	<u>28</u>

	£ '000	£ '000
In defined contributions schemes	40	42
In defined benefit schemes	364	275
	<u>404</u>	<u>317</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)

10. TANGIBLE FIXED ASSETS

	Freehold property £'000	Furniture and equipment £'000	Assets Under construction £'000	Charity Total £'000	Subsidiary Property and equipment £'000	Group Total £'000
COST						
At 1 August 2019	52,748	1,196	3,726	57,670	139	57,809
Additions	317	317	6,452	7,086	-	7,086
Disposals	-	(429)	-	(429)	-	(429)
At 31 July 2020	53,065	1,084	10,178	64,327	139	64,466
DEPRECIATION						
At 1 August 2019	12,368	938	-	13,306	49	13,355
Charge for the year	1,061	292	-	1,353	3	1,356
On Disposals	-	(429)	-	(429)	-	(429)
At 31 July 2020	13,429	801	-	14,230	52	14,282
NET BOOK VALUE						
At 31 July 2020	39,636	283	10,178	50,097	87	50,184
At 31 July 2019	40,380	258	3,726	44,364	90	44,454

11. INVESTMENTS

	2020 £ '000	2019 £ '000
Group and company		
At Market Value		
At 1 August 2019	5,483	5,069
Additions	3,721	2,736
Disposals	(3,377)	(2,457)
Revaluations to closing or sale at Market Value	124	135
Balance at 31 July 2020	5,951	5,483
Listed	5,022	5,307
Historical cost	5,779	4,868

Included within the charity balance sheet is £3 investment in the subsidiary companies (see note 4).

Investments in individual entities are no longer used now the funds have moved to Sarasin, as they report as a Sarasin fund, and not individual investments.

All the above investments (other than the subsidiary company) are quoted on a recognised UK Stock Exchange or are valued by reference to investments listed on a recognised UK Stock Exchange.

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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12. DEBTORS	Group		Charity	
	2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Fee debtors less refundable deposits	153	330	153	330
Other debtors	89	129	41	128
Prepayments and accrued income	622	1,093	622	1,093
	<u>864</u>	<u>1,552</u>	<u>816</u>	<u>1,551</u>
The bad debt expense for the period was	<u>0</u>	<u>122</u>	<u>0</u>	<u>122</u>
13. CREDITORS: amounts falling due within one year	Group		Charity	
	2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Bank overdraft	148	84	-	-
Trade creditors	1,600	1,122	1,588	1,110
Fees received in respect of Autumn Term	727	686	727	686
Social Security and Other Taxes	227	285	224	275
Pupil deposits	486	461	486	461
Pensions Trust creditor	115	115	115	115
Other creditors	265	168	121	160
Accruals and deferred income	1,093	507	1,092	507
Advance fees (see note 17)	569	864	569	864
	<u>5,230</u>	<u>4,292</u>	<u>4,922</u>	<u>4,178</u>
14. CREDITORS: amounts falling due after more than one year	Group		Charity	
	2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Pupils' deposits	3,367	2,821	3,367	2,821
Advance fees (see note 17)	540	902	540	902
Interest Rate Swap liability	288	-	288	-
Bank loan (see note 16)	2,955	-	2,955	-
Pensions Trust creditor	115	230	115	230
	<u>7,265</u>	<u>3,953</u>	<u>7,265</u>	<u>3,953</u>
15. BANK LOAN				
On 28 March 2019 the School entered into a Facility Agreement with HSBC relating to a Revolving Loan Facility of up to £15m converting to a Term Loan Facility. A hedging instrument was put in place in the form of an Interest Rate Swap. The loan interest is a floating rate but is fixed at 2.37% until 30 April 2029 through the swap on 75% of the expected loan drawdown.				
			2020 £ '000	2019 £ '000
After 5 years			2,600	-
Within 2 to 5 years			355	-
Within 1 to 2 years			-	-
			<u>2,955</u>	<u>-</u>
Within 1 year			-	-
			<u>2,955</u>	<u>-</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)

16. ADVANCE FEES

Under the School's fees in advance schemes, contributors may enter into a contract to pay to the School up to the equivalent of seven years' tuition fees in advance. The liability is valued at the balance sheet date, but has been allocated assuming that pupils will remain in the School for the normal duration:

	2020	2019
	£ '000	£ '000
After 5 years	-	-
Within 2 to 5 years	170	412
Within 1 to 2 years	370	490
	<u>540</u>	<u>902</u>
Within 1 year	569	864
	<u>1,109</u>	<u>1,766</u>

The movements during the year on the accrued liability under the contracts were:

Balance at 1 August 2019	1,766
New contracts	285
	<u>2,051</u>
Amounts utilised in payment of fees to the School:	942
	<u>(942)</u>
Capital repaid	-
	<u>1,109</u>

As disclosed on the consolidated and charity balance sheet, the funds relating to the Fees Safeguard Plan amount to £195,000 (2019: £398,000) with the corresponding liability totalling £44,000. The surplus on the scheme of £151,000 is shown in note 18 (2019: £149,000). The remaining liability of £1.07m is held within the unsecured fees in advance scheme.

17. ALLOCATION OF THE GROUP'S NET ASSETS EXCLUDING SHARE CAPITAL

	Fixed Assets	Investments	Net current Assets/ (Liabilities)	Long term Liabilities	Fund Balances
	£ '000	£ '000	£ '000	£ '000	£ '000
Unrestricted funds					
- Designated (Fees Safeguard Plan)	-	-	195	(44)	151
- Designated (Clarke Will)	-	2,857	-	-	2,857
- General	50,097	1,390	(1,184)	(7,221)	43,082
Restricted funds	-	1,704	2,409	-	4,113
	<u>50,097</u>	<u>5,951</u>	<u>1,420</u>	<u>(7,265)</u>	<u>50,203</u>
Charity funds	50,097	5,951	1,420	(7,265)	50,203
Subsidiary's reserves	87	-	(15)	-	72
	<u>50,184</u>	<u>5,951</u>	<u>1,405</u>	<u>(7,265)</u>	<u>50,275</u>
Group funds	50,184	5,951	1,405	(7,265)	50,275

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)

17. ALLOCATION OF THE GROUP'S NET ASSETS EXCLUDING SHARE CAPITAL – 2019

	Fixed Assets £ '000	Investments £ '000	Net current Assets/ (Liabilities) £ '000	Long term Liabilities £ '000	Fund Balances £ '000
Unrestricted funds					
- Designated (Fees Safeguard Plan)	-	-	193	(44)	149
- Designated (Clarke Will)	-	2,783	-	-	2,783
- General	44,365	1,038	(1,241)	(3,909)	40,253
Restricted funds	-	1,662	3,129	-	4,791
Charity funds	44,365	5,483	2,081	(3,953)	47,976
Subsidiary's reserves	89	-	11	-	100
Group funds	44,454	5,483	2,092	(3,953)	48,076

DESIGNATED FUNDS

Designated funds comprise unrestricted funds that have been set aside by the Governing Council and consist of the retained surplus in the Fees Safeguard Plan and the Clarke Will Fund. The Fees Safeguard Plan fund represents the current surplus of assets of the Fees Safeguard Plan over its liabilities, whereas the Clarke Will fund has been set aside for the funding of bursaries.

RESTRICTED FUNDS

Restricted funds consist of those detailed in Note 19 and are held for the purpose of providing bursaries, scholarships and building work.

18. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2019 £ '000	Income £ '000	Investment Income £ '000	Expenditure £ '000	Investment Gains/(Losses) and Transfers £ '000	Balance at 31 July 2020 £ '000
Restricted Funds:						
Restricted Income funds	175	66	2	(1)	4	246
Seniors Bursary Fund	606	2	-	(14)	13	607
Trust						
Scholarships	730	-	5	(2)	16	749
Sacha & Susannah Stephens' Bursary	71	-	-	-	2	73
Founders Memorial Scholarship Fund	28	-	-	-	1	29
Founders Memorial Event Fund	20	-	-	-	1	21
Hunt Memorial Concert Fund	34	-	-	-	-	34
Trust Award	109	13	-	(40)	-	82
Heart of Benenden Founders Schl'ship	2,747	298	-	-	(937)	2,108
	271	12	-	(119)	-	164
	4,791	391	7	(176)	(900)	4,113

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)

2019 COMPARATIVE RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2018 £ '000	Income £ '000	Investment Income £ '000	Expenditure £ '000	Investment Gains/(Losses) and Transfers £ '000	Balance at 31 July 2019 £ '000
Restricted Funds:						
Restricted Income funds	256	10	5	(101)	5	175
Seniors Bursary Fund	553	26	16	(4)	15	606
Trust Scholarships	697	-	20	(5)	18	730
Sacha & Susannah Stephens' Bursary	69	-	2	(1)	1	71
Founders Memorial Scholarship Fund	27	-	1	-	-	28
Founders Memorial Event Fund	19	-	1	-	-	20
Hunt Memorial Concert Fund	33	-	1	-	-	34
Trust Award	-	109	-	-	-	109
Heart of Benenden	-	2,747	-	-	-	2,747
Founders Schl'ship	-	271	-	-	-	271
	<u>1,654</u>	<u>3,163</u>	<u>46</u>	<u>(111)</u>	<u>39</u>	<u>4,791</u>

The restricted funds held in the Seniors Bursary Fund are held by the School as Trustee for the seniors.

19. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2019 £ '000	Income £ '000	Investment Income £ '000	Expenditure £ '000	Investment Gains/(Losses) And Transfers £ '000	Balance at 31 July 2020 £ '000
Designated funds:						
Advance fee payments	149	-	3	(1)	-	151
Clarke Will	2,783	-	17	(4)	61	2,857
General fund Reserves	40,253	21,010	13	(19,197)	1,003	43,082
	<u>43,185</u>	<u>21,010</u>	<u>33</u>	<u>(19,202)</u>	<u>1,064</u>	<u>46,090</u>
Charity Non-charitable trading funds	100	174	-	(162)	(40)	72
	<u>43,285</u>	<u>21,184</u>	<u>33</u>	<u>(19,364)</u>	<u>1,024</u>	<u>46,162</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)

2019 COMPARATIVE UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2018 £ '000	Income £ '000	Investment Income £ '000	Expenditure £ '000	Investment Gains/(Losses) And Transfers £ '000	Balance at 31 July 2019 £ '000
Designated funds:						
Advance fee payments	149	-	5	(5)	-	149
Clarke Will	2,652	-	77	(16)	70	2,783
General fund Reserves	32,003	27,791	33	(19,632)	58	40,253
	<u>34,804</u>	<u>27,791</u>	<u>115</u>	<u>(19,653)</u>	<u>128</u>	<u>43,185</u>
Charity Non-charitable trading funds	95	255	-	(218)	(32)	100
Group	<u>34,899</u>	<u>28,046</u>	<u>115</u>	<u>(19,871)</u>	<u>96</u>	<u>43,285</u>

20. SHARE CAPITAL

	2020 £	2019 £
Authorised		
10 Ordinary "B" Shares of £1 each	14	14
Allotted, Issued and Fully Paid		
10 Ordinary "B" Shares of £1 each	14	14

21. FINANCIAL AND CAPITAL COMMITMENTS

	2020 £ '000	Other 2019 £ '000
Operating leases that are subject to future minimum lease commitments are as follows:		

Within one year	79	89
In the second to fifth years	98	25
In more than five years	-	-

The capital commitment for the School Hall and Music School at 31 July 2020 is £8.6m (2019: £14m) for which the School has arranged an unsecured term facility with HSBC.

22. RELATED PARTIES

LIME AVENUE SALES & SERVICES LTD – LASS Ltd

The directors of LASS Ltd, as indicated under Governing Council and Officers on page 42, are members of Governing Council and SMT. During the year ended 31 July 2020 the company's turnover included £27,000 (2019: £54,000) from supplies to Benenden School (Kent) Ltd. LASS Ltd also made a donation of £40,000 under gift aid to the charitable company. At the year-end, a balance of £nil (2019: £nil) was owed to Benenden School (Kent) Ltd.

BENENDEN INTERNATIONAL LTD

Several members of Governing Council and SMT also served in the year as directors of BIL, as indicated under Governing Council and Officers details. There was no trade between the School and BIL during the year.

22. RELATED PARTIES (continued)

Subsequent to the year-end Benenden School, a company registered in the United Kingdom with number 11352204, became a wholly owned subsidiary of the Charity.

No Governing Council members received any remuneration. During the year, four (2019: four) Governing Council members had children at the School. No Governing Council member received money (2019: No member) for services supplied to the School.

During the year, the School obtained within its general insurance, professional indemnity and governors liability insurance cover of £5m (2019: £5m), the cost of which cannot be split.

23. PENSION SCHEMES

Retirement benefits to employees of the School are provided through two defined benefit schemes which are funded by the School's and employees' contributions.

Teachers' Pension Scheme

The School participates in the statutory Teachers' Pension Scheme ("the TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1.8m (2019: £1.5m) and at the year-end £151,000 (2019 - £124,000) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019, the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020 and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

**BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)**

Teachers Pension Scheme (continued)

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

TPT Retirement Solutions' Growth Plan

Non-teaching staff are eligible to contribute to TPT Retirement Solutions' (formerly The Pensions Trust) Growth Plan. The plan is a multi-employer scheme, partly money purchase and partly with defined benefits. The School contributes at a rate between 3% and 11% of gross pensionable salary, together with an additional premium to meet an underfunded liability as advised by TPT Retirement Solutions. The multi-employer scheme structure enables sponsors to pool costs and access a wider range of support, administration, and investment services than most could reasonably afford alone. However, the multi-employer structure does come with risk and managing this is an important element of the TPT Committee's remit. Despite the financial controls preventing weaker employers from building up new liabilities, it is possible that an employer may become insolvent and be unable to meet the full cost of settling its liabilities. If so, those 'orphan' liabilities, as they are known are shared amongst the remaining employers. The scheme has a mix of different sized employers with a wide spread of the share of liability. Of the 472 employers, over 95% have less than a 1% share of the liabilities. The largest individual employer share is 2.7%. Therefore, if an employer in the Scheme became insolvent, the impact on the remaining employers is relatively low. If the school were to leave the scheme it would have a liability to it. At 30 September 2019 this liability would have been £1.98m (2018: £1.85m). There is no plan to leave the scheme, so this contingent liability has not been provided for in the accounts. However, the School has currently earmarked an amount of £1.4m against this possible liability.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme. The School is committed to deficit repayments in relation to The Pensions Trust Growth plan of £115k per annum over a period of 10 years from 1 April 2013, indexed at 3% per annum. In line with the requirements of FRS 102, a liability of £231,000 (2019: £346,000) has been recognised in relation to this.

Both Schemes permit staff to make additional voluntary contributions.

	2020	2019
	£ '000	£ '000
Total contributions incurred during the year were:		
Teaching staff	1,205	904
Non-teaching staff	475	470
	<u>1,680</u>	<u>1,374</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (continued)

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - 2019

	Unrestricted Funds		Restricted Funds	Total 2019
	General Funds	Designated Funds	Funds	£ '000
	£ '000	£ '000	£ '000	£ '000
INCOME FROM:				
Charitable activities				
School fees	19,880	-	-	19,880
Ancillary trading income	1,867	-	-	1,867
Other trading activities				
Trading company	255	-	-	255
Investment income	33	82	46	161
Voluntary sources				
Grants and donations	6,044	-	3,163	9,207
Total Income	28,079	82	3,209	31,370
EXPENDITURE ON:				
Raising funds				
Trading costs	214	-	-	214
Fundraising costs	325	-	-	325
Financing costs	153	3	-	156
Investment management	7	18	11	36
	699	21	11	731
Charitable activities				
Educational activities and grant making	19,150	-	100	19,250
Total Expenditure	19,849	21	111	19,981
NET INCOME BEFORE TAX	8,230	61	3,098	11,389
Taxation payable	1	-	-	1
NET INCOME AFTER TAXATION BEFORE INVESTMENT GAINS	8,229	61	3,098	11,388
Investment gains	26	70	39	135
NET MOVEMENT IN FUNDS	8,255	131	3,137	11,523
Balance brought forward at 1 August 2018	32,098	2,801	1,654	36,553
Balance carried forward at 31 July 2019	40,353	2,932	4,791	40,076

Governing Council and Officers

Benenden School (Kent) Ltd is a limited company with charitable status. The Directors of the company, who are the Trustees of the charity, are the members of the Governing Council of Benenden School. Those who served during the year and subsequently were:

The Hon Mrs J S Birkett	1, 7, 13, 20,21
Mrs W M Carey (resigned 18 June 2020)	10, 12
Ms A J Clarke~	8, 16,22
Dr F E Cornish	10
Mrs D Coslett	12,19
Dr R W Evenett~	3, 9, 15
Ms L Gallagher	4
Mrs M MacDonald	11
Mrs A McNab*~	2, 5, 16, 17,22
J A McParland (resigned 18 June 2020)	12, 17
C G Nicolle (deceased October 2020)	13
J P Pearce~	6, 17
G St A Pugh	14, 16,22
P A Simpkin	14,22
S S Smart (resigned 31 August 2019, remains a co-opted committee member)~	14,17,22
Prof L C Taub	12, 18

Governing Council Members are appointed by the Governing Council for a term of four years. They can be re-elected or retire by rotation. There are no nominated Governing Council Members.

Denotes (as at 3 December 2020):

- | | |
|--------------------------------------|--|
| 1. Chair of Governing Council | 12. Member of Education Committee |
| 2. Deputy Chair of Governing Council | 13. Member of Estates Committee |
| 3. Chair of Education Committee | 14. Member of Finance Committee |
| 4. Chair of Estates Committee | 15. Member of Investment Committee |
| 5. Chair of Finance Committee | 16. Member of Nominations Committee |
| 6. Chair of Investment Committee | 17. Member of Remuneration Committee |
| 7. Chair of Nominations Committee | 18. Member of Risk Committee |
| 8. Chair of Remuneration Committee | 19. Member of Safeguarding Committee |
| 9. Chair of Risk Committee | 20. Member of Development Board |
| 10. Chair of Safeguarding Committee | 21. Chair of Coronavirus Response Group |
| 11. Chair of Development Board | 22. Member of Coronavirus Response Group |

* Director of LASS Ltd

~ Director of BIL

SHAREHOLDERS

The School is owned by holders of “B” shares; there are no “A” shareholders. The list of shareholders is the same as the list of Governing Council members shown above.

No payment was made to any Directors for their services as Members of the Board of Governing

Council Members. They were reimbursed expenses directly incurred on School business.

OFFICERS

Headmistress	Mrs S Price
Director of Finance and Operations	Mr M C Lander* (resigned 30 September 2019)
Director of Finance and Operations	Mrs J E Lerbech (appointed 3 August 2020)
Further members of the Senior Management Team	Mr M J L Commander ~
	Mrs A Harber (appointed 1 September 2019)
	Mr K A Johnson
	Mr S T Miller (appointed 1 September 2019)
	Mr I G Read (appointed 1 September 2019)
	Miss A Steven (resigned 31 August 2019)
	Mrs L Tyler
	Mrs A Wakefield (appointed 1 September 2019)

There were interim Directors of Finance and Operations in the intervening period between Mr Lander leaving and Mrs Lerbech starting.

Address and Registered Office	Benenden School Cranbrook Kent TN17 4AA
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Company Number	196353
Charity Number	307854

Advisers

Bankers	Coutts & Co. 440 Strand London WC2R 0QS
	HSBC UK Bank Plc 1 st Floor, First Point, Buckingham Gate London Gatwick Airport West Sussex RH6 0NT
Solicitors	Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH
Auditors	Haysmacintyre LLP 10 Queen St Place London EC4R 1AG

Investment Advisers

HSBC Global Asset Management (to 31 August 2019)
78 St James's Street
London SW1A 1HL

Investment Advisers cont'd

Sarasin & Partners LLP (appointed 1 September 2019)
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Insurance Brokers

Marsh Brokers Ltd
Education Practice
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex RH16 3SY



BENENDEN