



BENENDEN



BENENDEN SCHOOL (KENT) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022
Registered Company No: 196353
Charity No: 307854

INDEX	Page
Chairman of Governing Council's Introduction	1 - 2
Head's Report: Review of the Year	3 - 4
Governing Council's Report	5 - 12
Independent Auditors' Report	13 - 15
Consolidated Statement of Financial Activities	16
Consolidated and Charity Balance Sheets	17
Consolidated Cash Flow Statement	18 - 19
Notes to the Financial Statements	20 - 37
Governing Council and Officers	38 - 39
Advisers	40

Chairman of Governing Council's Introduction

When future historians of Benenden School assess 2022 they will find much to write about as the School took some significant steps in its evolution. That said, in many ways it was a school year like many others with countless achievements by its students in their academic studies, their co-curricular and community activities and, critically, in their own personal development, and the Head's report below gives an insight into these successes. It was a great pleasure to witness the pandemic clouds which had inevitably cast a shadow over day-to-day life on the School campus gradually dispersing. By the Summer Term there was definitely a spring in the School's step once again and we were able to reflect with justifiable pride on the way our community responded to the challenges of the pandemic while setting our eyes firmly on the way ahead.

And speaking of the way ahead, the word 'Centenary' features ever more regularly on our School business agendas as we look forward to a year of celebration of Benenden's first century from September 2023. Importantly, however, this milestone is an opportunity to shape Benenden for the future; we must match its educational offer and broader public benefit activities to the needs of mid-21st Century society and the workplace of tomorrow while making sure that its business model is robustly sustainable in a marketplace in which the sands are shifting rapidly. As Governors of the School, we share with Mrs Price and her Senior Management Team a real sense of excitement at having the opportunity to shape this future but also a keen sense of the responsibility which rests with us to build successfully on the legacy now entrusted to us.

Anyone observing Benenden now for the first time in even a couple of years would see much change. The Head's Report sets out the detail of what has been achieved but I would like to summarise just a few of the significant developments of the past year:

- Day boarders are now an established and vital part of the School population with numbers increasing steadily in line with our planned growth of the student roll to 600;
- The boarding offer has been modified by the formalising of Saturday Night Leave for those students who wish to take advantage of it while still retaining a vibrant Weekend Programme for those students staying at School;
- Medway is operating successfully as a dedicated home away from home for the Fourths, enabling them to settle into secondary school life as a group before moving into their Houses as established members of the community;
- The new School Hall and Music School have become a reality; now known as the Centenary Buildings, they seem almost overnight to have become the 'Heart of Benenden' envisioned so presciently by Mrs Price shortly after she arrived in 2014. As well as enabling the School to benefit from state-of-the-art performance and teaching spaces, the facilities are already attracting leading professionals across a range of performing arts, will provide the School with a revenue stream from commercial lettings and to enable the local community and other schools to benefit from the opportunities for learning and enrichment which these wonderful spaces can provide;
- Our initiatives to develop our bursary programme to enable more students to benefit from a Benenden education as well as our partnerships work both in the local community and the education sector more broadly, have made real strides this year. The partnerships work in particular has taken on a more strategic approach focused clearly on demonstrable impact. In the Autumn we published our first Impact Report, which is a comprehensive review of the difference Benenden makes, whether through its education of students on site in Kent or more broadly through its outreach work and contribution in the education arena, both nationally and further afield.
- Our bursary and partnerships programmes are now a major fundraising focus with the Be The Change campaign launched in early 2022 and given a great boost by our first ever Giving Day in late November when we asked our entire community to help us to make a difference by donating funds to underpin our work in this area. We hope that the Centenary will inspire many members of our community to give to help us reach our target of raising £5 million by the end of 2024 which will allow many more young people to benefit from what Benenden has to offer;
- The School has taken its first steps towards a comprehensive Sustainability Strategy, focused on managing its environmental impacts as well as developing a long-term energy strategy for the site. With a site of the age and nature of ours, there are many challenges to address but, although like many schools something of a late starter in this arena, the School is now firmly committed to meeting those challenges in the years ahead.

Overall, I regard the past year as a positive one for the School for all the reasons just mentioned but it is also important to reflect on the challenges which have emerged in the past 12 months and which are set to shape our work in the short, medium and longer term. The current inflationary cost environment creates significant

pressure for a boarding school such as Benenden and the broader economic headwinds into which we and our parent and staff community are faced raise challenging strategic questions for Governing Council to answer in shaping a future for Benenden which is truly sustainable in every sense of that word.

The Hon Mrs A Birkett MA, MBA

Head's Report

Review of the Year

The 2021-22 academic year represented a very welcome return to normality following the pandemic. We were delighted to once again host our traditional in-person events for our School community such as Two-Generation Sports and Carol Services, as well as our trips programme getting underway again with our Upper Fifths' Languages trip to Malaga.

At the same time as restoring this sense of normality, we were equally pleased to introduce some strategic innovations at Benenden. We welcomed our first day boarders to join the School; they have settled in seamlessly and this is an exciting area of growth for us. In addition, we unveiled our new Fourths' House where our youngest pupils spend the first year together before moving to their Middle School Houses. This was such a successful initiative during the pandemic that we have taken the decision to make it a permanent arrangement, and it has led to increased demand at our 11+ entry point.

The most prominent new addition at Benenden has been the Centenary Buildings, which opened at the end of this academic year and which have, quite simply, transformed the School. The students, performers, staff, parents and guests are benefiting from a beautiful, purpose-built space that has led to a dramatic increase in Music participation and has united the whole community. In addition, it will enable us to welcome the local community to our School far more frequently, which is very important to us.

Indeed, our partnerships and charity work has been incredibly strong this year, with a total of 3,760 hours of partnership work volunteered during the year. More than 60 students are involved in the Partnerships Programme each week, which supports 10 local institutions including primary schools, the village shop and a care home for adults with learning disabilities, while we have also launched the Benenden Memory Café for adults with dementia. In addition, we were pleased to be able to offer full bursaries to four girls from Ukraine and they are making a wonderful contribution to Benenden life. Further details of our bursary provision may be found in note 2.

Elsewhere, Benenden has been at the forefront of sector-wide initiatives through some high-profile work with the Girls' Schools Association, whom I was proud to serve as President this year. The focus of the year was Disagreeing Well, which was aimed at helping young people to learn how best to channel their campaigning instincts, which is especially important in these turbulent political and cultural times.

The students themselves have, as ever, recorded such a long list of achievements this year that it would be impossible to acknowledge them all here. However, exam results are, of course, an essential consideration and we were delighted that A Level results were in line with pre-pandemic levels, with 67 per cent of all grades awarded at A* or A.

Benenden's Class of 2022 are now studying at leading universities around the world. All those holding offers from Oxford and Cambridge secured their places, with other UK destinations including Imperial, UCL, LSE, Durham and Edinburgh. International courses are always popular at Benenden, with destinations this year including Boston, McGill, Carnegie Mellon and Sciences Po in Paris.

At GCSE, the students' performance represented Benenden's best GCSE results since the reformed GCSEs were introduced – they were phased in, starting in 2017 – and are even stronger than the results of the past two years when grades were based on teacher assessed grades during the pandemic. This success was in contrast to the national picture, in which grades dipped. An incredible 50 per cent of all grades were at Level 9 – the highest available. Six students achieved a clean sweep of straight Level 9s and in total, 23 students in the year group achieved the top grade in at least nine different subjects.

Away from the classroom, other highlights include the increasing opportunities for students themselves to interview our guest speakers, and this year our speakers included fashion designer Patrick Grant, tech entrepreneur Roshni Nadar, Baroness Dido Harding, some of the developers of the AstraZeneca vaccine and ITV 'Chaser' Shaun Wallace, who invited a team of Sixth Formers to pit their wits against him!

Elsewhere, a second group of students completed work on building a microlight, in a fantastic partnership project with The John Wallis Church of England Academy, and an array of new student-led clubs were launched, including ones focused on Geography, motor racing, medicine and body confidence.

Our dedicated STEM Month was a brilliant showcase of these subjects, while Cultures Week was a celebration

of the wide range of cultures we are proud to have at Benenden.

On the stage, our youngest pupils performed Wendy and Peter Pan, while at the other end of the age group we took a group of Sixth Formers to perform at the Edinburgh Fringe Festival.

Aside from embracing their new facilities, our Music department treated us to a joint evensong with Tonbridge School and we have seen a huge increase in the number of student bands, which are entertaining us regularly.

Our sporting success included reaching the quarterfinals of the Lacrosse Nationals, some of our athletes represented Kent in the South East Inter-Counties Finals, we were proud to have representatives in the British Youth Fencing Finals and Cricket is really coming on strongly here at Benenden.

We are proud of our achievements at Benenden and are grateful to everyone who has been involved in this success.

Samantha Price

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 students, 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 Students

Benenden School is an expert in educating young women. Through our renowned model of A Complete Education, each pupil will realise her academic potential, grow as an individual and be well prepared for life beyond school. A Complete Education combines a focus on academic achievement with personal development and the engendering of a firm understanding of the world in which we live.

Above all, we want our pupils to relish all that life in a boarding school has to offer, to enjoy their learning, develop intellectual curiosity and be ambitious, whilst learning to achieve balance in their lives.

In all that we do at Benenden, we foster the need to value oneself and others. In so doing, we expect each pupil to be a responsible and considerate citizen and we support her to grow into a confident, positive young woman who will play an active part in society.

By emphasising the importance of spiritual and personal growth, we help our pupils to develop self-knowledge, to become outward looking, courageous and compassionate, so that they will be inspired to make a difference both to our school community and throughout their lives for the benefit of others.

We achieve this by providing:

- An inspiring, challenging and relevant curriculum delivering strong academic outcomes and a sense of personal wellbeing.
- Excellent and motivating teaching designed to encourage pupils to become independent, enquiring and critical thinkers.
- An extensive co-curricular programme that complements the academic curriculum and is infused with a wide variety of enjoyable cultural, spiritual, social, sporting and creative activities.
- A framework of support which contributes to personal, moral and emotional development which helps guide our pupils towards achieving balance within their busy lives.
- The experience of learning to understand other people, working and living together within our boarding community, appreciating diversity and understanding compromise.
- A culture of encouragement, opportunity and challenge designed to develop resourcefulness, reflectiveness, resilience and confidence.
- A wide variety of opportunities for leadership and collaboration.
- Guidance designed to help every pupil achieve her own personal goals, equipped with the requisite skills for university and professional life.
- 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.
- The four guiding values underpinning our work are the constant reinforcement of **confidence, compassion, courage** and **courtesy**.

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.

Members of Governing Council confirm 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 focused on 'Bouncing Back' as our community has collectively learnt to live with Covid-19. Through carefully managing risk the School has returned to pre-Covid levels of activity. More broadly new operational, financial and strategic challenges have arisen particularly around managing increased inflation and utility costs. Whilst these and the residual effects of the pandemic have 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 details 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 we offer a comprehensive graduate teaching training package and an integrated professional development programme for teaching staff to support their progression to middle and senior leadership positions. Supported by a dedicated member of the Senior Management Team overseeing this, we continue 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 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 colleagues an opportunity to discuss any aspect of the School. There is a weekly staff meeting that all colleagues can attend or watch via a recording, in which a broad range of matters are discussed. 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.

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 valuing 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 means-tested bursaries. The School remains committed to offering significant bursarial support to enable students to attend Benenden on fully funded places, which we have ambitious plans to significantly increase in the future. The first two phases 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, now known as the Centenary Buildings, which opened in Summer 2022.

The Centenary Buildings development was the most ambitious development project that the School has undertaken, and was made possible by more than £5 million of pledges to the Heart of Benenden fundraising campaign, the second phase of the Centenary Vision. The project is now complete, with the first of several opening celebrations taking place in June 2022 with hundreds of members of our community in attendance. It is clear that these new facilities, and particularly the Centenary Hall and The Sir David K.P. Li Music School, will be transformational for the School and enjoyed daily by every Benenden student. It is also 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 and other opportunities the School can offer.

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

With Phase 2 of the Centenary Vision complete, the School has now launched Phase 3, which focuses on an ambitious fundraising campaign to significantly increase the level of bursary support we are able to provide to students joining Benenden, and the broadening of our partnerships work. This important new campaign was launched in January 2022 with HRH The Princess Royal, The President of the Benenden Society, in attendance. By the end of the year, members of our community had already committed £1 million of pledges towards the campaign target of £5 million.

The School remains committed to continuing over the coming years the refurbishment of the Lower School boarding houses, building on the successful refurbishments of Medway and Marshall Houses in the summer of 2021. Refurbishment work was undertaken across Echyngam, Guldeford, Norris and Hemsted Houses during the summer of 2022.

Benenden International Limited (BIL), continues to operate as a wholly owned subsidiary of Benenden School (Kent) Limited and retains the remit to facilitate the School accessing the international school market or take on other options for business diversification should suitable opportunities arise. BIL's primary purpose is to provide an additional income stream for the School. On 25 November 2020 BIL signed an agreement with Chow Tai Fook Education Group (CTFEG), a Hong Kong-based educational group, to establish five Benenden international schools in China. The first school in the group will open in September 2023.

Financial Review

The financial aims of the Governing Council include generating sufficient income to ensure the School is in a sound financial position. Sufficient surplus is required to enable the ongoing maintenance and investment in the School estate and to ensure that an appropriate level of reserves are held. The School is also seeking to increase funding for the bursary provision. On a regular basis, the Finance Committee carefully reviews the financial results and forecasts of the School, which includes detailed scrutiny of cashflows on a short and longer term basis, the level of borrowings and capital expenditure. The outcome of these reviews is reported to and considered by the Governing Council.

Income (excluding donations) increased from £21.0 million to £22.7 million primarily due to the prior year experiencing a fee reduction in the Spring Term, as a result of the nationwide school closure arising from the pandemic situation. The School did not receive any Covid-19 related government financial support in the 2021-22 financial year.

Expenditure increased from £20.6 million to £21.5 million as the School returned to a full operations. The surplus achieved of £1.7 million, including gifts, grants and donations, investment losses and trading income, enables the School to invest both for the future by way of capital projects and in its bursary programme. Significant borrowings have been undertaken for the development of the Centenary Buildings and adequate surpluses are required to ensure that debt is serviced.

These financial results incorporate those of LASS Limited and Benenden International Limited. During the year LASS continued as the main trading arm of the School with the principal activity being the operation of the retail shop at the School. The shop stocks school uniform, stationery, sports equipment and pharmacy products for sale to the School community.

	2022	2021
Student numbers (average)	530	528
Fee concessions as a percentage of gross fees	7.10%	5.70%
Direct teaching costs as a percentage of gross fees	34.5%	37.20%
Increase in school fees	3.75%	-

Reserves

At 31 July 2022, the School had unrestricted funds of £50.0 million, of which £3.3 million were designated, and restricted funds totalling £5.2 million. The Governing Council has a long-standing policy to use revenue surpluses and borrowings as appropriate to improve the overall educational service and facilities 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 £3.2 million, the income of which is used to assist in the funding of bursaries.

Governing Council continues 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 ongoing activities will allow it to build a modest level of reserves to support an ongoing programme of development and improvements and to provide bursaries. The Directors 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 £17.7 million (2021: £10.9 million). Similar to many other independent schools, the School has invested heavily in fixed assets which has 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 the final instalments of the successful £5 million Heart of Benenden Campaign, to secure funding for a number of new pianos, 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, further progress has been made with Benenden Connects – the School's new online portal – which brings Seniors, Parents, Friends, Staff and Sixth Formers together.

During the year it was pleasing to be able to recommence in-person events. Highlights included two New Parents' Dinners, a Benenden Society Reception in London to launch the School's Be the Change bursary and partnerships campaign; a fundraising ball at the Landmark London Hotel; and Seniors' Day; as well as aforementioned celebrations to mark the opening of the Centenary Buildings.

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. 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 in the year relating to electricity, gas combustion and transport. It must be noted that the 2021 figures reflect a period of closure of the School site due to the Covid-19 national lockdown which is reflected in reduced gas use and transport use in these periods.

	2022	2021
Electricity use	1,911,915 kWh	2,187,231 kWh
Gas combustion	5,257,440 kWh	4,436,566 kWh
Transport	203,683 kWh	147,923 kWh
Total	7,373,038 kWh	6,771,720 kWh

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

	2022	2021
Electricity use	369.7 tCO ₂ e	464.4 tCO ₂ e
Gas combustion	960.0 tCO ₂ e	821.6 tCO ₂ e
Transport	29.1 tCO ₂ e	36.1 tCO ₂ e
Total	1,345.8 tCO ₂ e	1,313.1 tCO ₂ e

Due to the recent expansion works within the grounds the exact square footage is not known and has changed significantly. It has therefore been decided that the constant index will be student numbers.

The intensity ratio for Benenden School is 2.53 tCO₂e (2021: 2.49 tCO₂e) per student for the reporting year, based on 532 students (2021: 528 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 2022. 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 and fuel card purchases.

In the year to 31 July 2022, 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 as having a Sustainability Committee for students 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. We have recently began working with an external consultancy to support our sustainability work more broadly.

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 a certified and backed supply chain as well as bio-gas and carbon offsetting initiatives for natural gas supply.

Investment Policy

Governing Council is empowered within the Memorandum and Articles of Association to invest any monies as authorised by law and for the investment of trust monies in a manner it thinks fit. All investments have been acquired in accordance with the powers available to the Governing Council. 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. Since inception of the portfolio on 9 September 2019 up to 31 July 2022, the portfolio has achieved a total return of 19.1% (net of all costs) versus the benchmark return of +20.9%. 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 (10%).

Governing Council aims for the investment portfolio to provide a sufficient income to fund bursary commitments while preserving the real capital value of the portfolio to enable bursary funding 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, at least termly, 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 or more frequently if required. As required, a separate group may be established to respond to a particular risk, with the most recent example being the Coronavirus Response Group. The minutes of the Risk Committee and any specific focus groups are presented at the following Governing Council meeting. The Risk Register and the recommendations of the Risk Committee are reviewed at least annually by Governing Council and more frequently as required.

Strategic Planning

The School Strategic Plan, that is written by the Senior Management Team, and the School Development Plan that is derived from this, are reviewed at least annually to ensure that they are fit for purpose. The recently formed School Development Group, which includes both the Senior Management Team and members of the wider staff, meets on a fortnightly basis to develop and inform wider strategy for beyond the Centenary year. Governing Council meets, at least annually, with the Senior Management Team, for a wider strategy day.

Major strategic decisions are fully discussed and ratified by Governing Council. 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, the Senior Management Team and Governing Council will together make decisions to appropriately mitigate or accept 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 and Finance Bursar, are tasked with the development of financial models covering a range of eventualities as circumstances dictate. These models are tested on a regular basis.

Maintenance of educational quality

Educational excellence is at the heart of the School and the Senior Management Team is responsible for ensuring that this and the 'Complete Education' programme are reflected in the School's Strategic Development Plan. The Senior Management Team 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 the Independent Schools Inspectorate and Governing Council supported by the Education and Safeguarding and Pastoral Care Committees. Teaching standards are constantly under review within the School with the process being co-ordinated by the Senior Management Team. Student performance is regularly monitored with actions being taken to ensure that any issues are addressed. All staff benefit from an appraisal system to ensure that standards remain high. Training is available to keep all staff up to date with best practice.

Ensuring safeguarding of students

The Governing Council reviews and approves the School policies relating to safeguarding on a regular, and at least annual, 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 an annual basis 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 in place throughout the School with regular reporting via the Estates Committee to Governing Council. The School had an independent external Health and Safety audit in June 2021 and at least once in every three yearly cycle.

Major Risks

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

1. **Economic and Political Risk**. The School has a robust system for assessing the effects of 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. **Wider economic environment**. The initial economic impact of Brexit has now expanded to include the economic effects of the war in Ukraine. High inflation rates affect many areas of the School, most notably within the utilities, domestic and staffing budgets. More broadly, inflation risks adversely affecting the affordability of the School within its market which ultimately could risk student numbers and retention. The School is actively managing costs in all areas.
 - b. **Changes to the Teachers' Pension Scheme**. The School continues to evaluate its membership of the Teachers' Pension Scheme and launched a consultation regarding this with eligible teaching staff in September 2022 which is ongoing. The School entered into a Phased Withdrawal from the Teachers' Pension Scheme, whereby new teaching staff are instead enrolled into an alternative defined contribution pension scheme, effective from September 2022.
 - c. **Loss of charitable status of schools in the Independent Sector including the loss of charitable business rate relief and the implementation of VAT**. This continues to be a risk to the School that is monitored by the Finance Committee and Senior Management Team. The School continues to work hard to support the independent sector via its engagement with the GSA, 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 Church of England Academy, its work with the Kent Music School and through the School's Benenden Partnership and Community Programme. The School has a Director of Partnerships to further develop its activities in this area. Further information may be found on the Schools Together website.
 - d. **Geographical financial dependence**. A priority for the School is to ensure that students from all parts of the globe are able join the School community. Financially, the Governing Council and Senior Management Team 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.

- e. **Changes to the educational regulatory environment in China.** The School has entered into an agreement with a Hong Kong-based education partner to develop five bi-lingual schools within China. Subsequent to the agreements being made, the Chinese government imposed substantial changes to the legislation affecting the operation of bi-lingual schools in the region. The majority of the changes had already been anticipated by the School as part of the agreement process; however the School continues to closely monitor the situation, via its international trading subsidiary Benenden International Limited, to ensure any risks to the future operations of the schools are mitigated.

2. **Cyber Security**

Cyber security risks remain high with the School being alert to the risk of a cyber-attack and the risk of failure of IT security procedures. All staff are regularly trained to be aware of cyber risks. Appropriate security measures, which include external testing of IT security systems are undertaken on a regular basis.

3. **Covid-19.** Whilst the risks associated with the Covid-19 pandemic have subsided the School remains mindful of the ongoing risks associated with both Covid-19 and potential future pandemics.

Procedures remain in place for dealing with outbreaks of the virus and to protect the School community. Despite the experience the School has gained with dealing with the Covid situation, there remains a high residual risk that the School will be impacted both operationally and financially in the year ahead by the virus.

Reference and Administrative Details

Benenden School (Kent) Limited 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 38 - 40.

Structure, Governance and Management

The Company was constituted on 13 March 1924. The Memorandum and Articles of Association have been amended over the years, with the latest amendment 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. A comprehensive induction for newly appointed Governing Council Members is organised by the Clerk to the Governing Council. 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 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 39. Consideration when setting pay is given to the 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 Senior Management Team 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 16 March 2023 and signed on its behalf by



.....
Anne McNab
Director

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 2022 which comprise Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the 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 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governing Council's Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Governing Council's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governing Council's Report (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
- 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 11-12, 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.

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Companies Act 2006 and consider other factors such as payroll tax.

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management and review of Governing Council's meeting minutes and papers, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial

Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Tracey Young". The signature is written in a cursive style with a large, stylized 'Y'.

Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
10 Queen Street Place
London
EC4R 1AG

Date: 30.3.23

BENENDEN SCHOOL (KENT) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2022

		Unrestricted Funds			Total	Total
	Notes	General Funds	Designated Funds	Restricted Funds	2022	2021
		£ '000	£ '000	£ '000	£ '000	£ '000
INCOME FROM:						
Charitable activities						
School fees	2	20,279	-	-	20,279	18,955
Ancillary trading income	3	1,442	-	-	1,442	1,285
Other trading activities						
Trading company	4	379	-	-	379	543
Investment income	5	569	-	-	569	211
Voluntary sources						
Grants and donations	6	42	-	582	624	1,988
Total Income		22,711	-	582	23,293	22,982
EXPENDITURE ON:						
Raising funds						
Trading costs	4	326	-	-	326	280
Fundraising costs		390	-	-	390	257
Financing costs	8	263	-	-	263	244
Investment management		8	15	9	32	38
		987	15	9	1,011	819
Charitable activities						
Educational activities and grant making		20,395	-	101	20,496	19,773
Total Expenditure	7	21,382	15	110	21,507	20,592
NET INCOME BEFORE TAX		1,329	(15)	472	1,786	2,390
Taxation payable		-	-	-	-	-
NET INCOME AFTER TAXATION BEFORE INVESTMENTS GAINS		1,329	(15)	472	1,786	2,390
Investment (losses)/gains	11	(25)	(63)	(43)	(131)	837
NET INCOME AFTER TAXATION AND INVESTMENTS GAINS		1,304	(78)	429	1,655	3,227
Transfers	18, 19	470	(215)	(255)	-	-
NET MOVEMENT IN FUNDS		1,774	(293)	174	1,655	3,227
Balance brought forward at 1 August 2021		44,878	3,626	4,998	53,502	50,275
Balance carried forward at 31 July 2022	17,18,19	46,652	3,333	5,172	55,157	53,502

The notes on pages 20 to 37 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 24.

	Notes	GROUP		CHARITY	
		2022 £ '000	2021 £ '000	2022 £ '000	2021 £ '000
FIXED ASSETS					
Tangible assets	10	64,332	55,810	64,250	55,724
Investments	11	6,596	6,790	6,596	6,790
Investment in subsidiaries	11	-	-	-	-
		<u>70,928</u>	<u>62,600</u>	<u>70,846</u>	<u>62,514</u>
CURRENT ASSETS					
Stock		177	203	43	41
Debtors: amounts falling due within one year	12	1,365	1,203	1,355	1,196
Cash at bank and in hand		4,407	6,419	4,378	6,178
		<u>5,949</u>	<u>7,825</u>	<u>5,776</u>	<u>7,415</u>
CREDITORS: amounts falling due within one year	13	<u>(7,124)</u>	<u>(5,499)</u>	<u>(6,975)</u>	<u>(5,318)</u>
NET CURRENT ASSETS		<u>(1,175)</u>	<u>2,326</u>	<u>(1,199)</u>	<u>2,097</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>69,753</u>	<u>64,926</u>	<u>69,647</u>	<u>64,611</u>
CREDITORS: amounts falling due after more than one year	14	<u>(14,596)</u>	<u>(11,424)</u>	<u>(14,596)</u>	<u>(11,424)</u>
NET ASSETS		<u><u>55,157</u></u>	<u><u>53,502</u></u>	<u><u>55,051</u></u>	<u><u>53,187</u></u>
FUNDS AND CAPITAL					
Unrestricted Funds:	19				
- General		46,652	44,878	46,546	44,563
- Designated		3,333	3,626	3,333	3,626
Restricted Income Funds	18	5,172	4,998	5,172	4,998
Called up share capital	20	-	-	-	-
TOTAL FUNDS		<u><u>55,157</u></u>	<u><u>53,502</u></u>	<u><u>55,051</u></u>	<u><u>53,187</u></u>

The notes on pages 20 to 37 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) Limited. The Charity income for the year was £22.9m (2021: £22.4m) with a surplus of £1.6m (2021: £2.9m).

The financial statements were approved and authorised for issue by the Governing Council on 16 March 2023 and signed on its behalf by:



.....
 Anne McNab
 Governing Council Member



.....
 Jonathan Pearce
 Governing Council Member

**BENENDEN SCHOOL (KENT) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2022**

	2022		2021	
	£ '000	£ '000	£ '000	£ '000
Net cash flow from operations				
Net movement in funds	1,655		3,227	
Depreciation charges (Note 10)	1,388		1,304	
Investment income	(569)		(211)	
Financing costs	263		244	
Impairment provision against fixed assets	-		527	
Investment managers charges	32		38	
Investments gains/losses	173		(863)	
(Increase) in debtors	(162)		(339)	
Increase in creditors (excluding fees in advance)	1,257		-	
Decrease/(increase) in stock	26		(12)	
(Decrease)/increase in advanced fees	(248)		139	
	<u> </u>		<u> </u>	
Net cash provided from operations		3,815		4,054
Net cash flow from investing activities				
Investment income	569		211	
Investment managers fees	(32)		(39)	
Proceeds from sale of investments	31		30	
Purchase of investments	(10)		(6)	
Payments for tangible fixed assets	(9,910)		(7,457)	
	<u> </u>		<u> </u>	
Net cash used in investing activities		(9,352)		(7,261)
Cash flows from Financing				
Cash inflows from new borrowing	3,806		4,300	
Financing costs	(263)		(244)	
	<u> </u>		<u> </u>	
Net cash provided by financing activities		3,543		4,056
Increase in cash and cash equivalents		(1,994)		849
Cash and cash equivalents at beginning of the period		6,282		5,433
		<u> </u>		<u> </u>
Cash and cash equivalents at the end of the period		4,288		6,282
		<u> </u>		<u> </u>

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022	2021
	£ '000	£ '000
Cash in hand and at bank	4,073	6,099
Cash on deposit	334	320
Bank overdraft (subsidiary)	(119)	(137)
	<u> </u>	<u> </u>
	4,288	6,282
	<u> </u>	<u> </u>

BENENDEN SCHOOL (KENT) LIMITED
CONSOLIDATED CASH FLOW STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2022

ANALYSIS OF CHANGES IN NET DEBT

	At 1 August	Cash flows	Non-cash	At 31 July
	2021	£ '000	movements	2022
	£ '000	£ '000	£ '000	£ '000
Cash	6,099	(2,026)	-	4,073
Deposits	320	14	-	334
Bank overdraft (subsidiary)	(137)	18	-	(119)
	<u>6,282</u>	<u>(1,999)</u>	<u>-</u>	<u>4,288</u>
Loan: Less than one year	(73)	(258)	-	(331)
Loan: Greater than one year	(7,182)	(3,522)	-	(10,704)
	<u>(973)</u>	<u>(5,779)</u>	<u>-</u>	<u>(6,747)</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.

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 Limited (LASS Ltd) and Benenden International Limited (BIL), 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 School'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) Limited is a registered charity and therefore, is not liable to income tax or 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 less than £300 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.

**BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

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.

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

1.13 Hedging arrangements

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

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. Changes in fair values which are ineffective are recognised within income or expenditure in the Statement of Financial Activities – 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. It is noted that LIBOR ceased to exist on 31 December 2021 and was replaced by SONIA (Sterling Over Night Index Average), a less volatile risk free rate.

2. SCHOOL FEES	2022	2021
	£ '000	£ '000
Fees receivable comprises		
Current fees	21,729	20,008
Less: Allowances, Scholarships and Bursaries	(1,552)	(1,147)
	<u>20,177</u>	<u>18,861</u>
Add: Amount from The Benenden School Hong Kong Trust	1	2
Bursaries and other awards paid for by restricted funds	101	92
	<u>20,279</u>	<u>18,955</u>

Scholarships, bursaries and other awards were paid to 113 students (2021: 114 students). Within this, means tested bursaries totalling £1,165,000 were paid to 43 students (2021: £878,000 to 33 students).

3. ANCILLIARY TRADING INCOME	2022	2021
	£ '000	£ '000
Fee income for extra subjects	976	865
Entrance and registration fees	67	71
Courses and sub-lettings	130	113
Other income	269	236
	<u>1,442</u>	<u>1,285</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (continued)

4. INCOME FROM SUBSIDIARIES TRADING ACTIVITIES

The Charity owns the whole of the share capital of two trading subsidiaries, Lime Avenue Sales & Services Limited (LASS Ltd), a company registered in the United Kingdom with number 1794097 and Benenden International Limited (BIL), a company registered in the United Kingdom with number 12166808.

Lime Avenue Sales & Services Limited continued as the main trading arm of the School and operated the School retail shop, supplying staff, students, visitors and the School with a range of products on a continuing basis.

Benenden International Limited was set up to explore the options for business diversification and access the international market. On 25 November 2020 BIL signed an agreement with Chow Tai Fook Education Group (CTFEG), a Hong Kong based educational group, to establish five Benenden international schools in China. The first school in the group will open in September 2023.

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

	LASS		BIL	
	2022	2021	2022	2021
	£ '000	£ '000	£ '000	£ '000
Turnover	304	264	108	309
Cost of Sales	(179)	(151)	-	-
Gross Profit	125	113	108	309
Administrative Expenses	(96)	(89)	(84)	(70)
Operating profit	29	24	24	239
Interest payable	(5)	(5)	-	-
Net profit	24	19	24	239
Corporation Tax	-	-	-	-
Profit after Tax	24	19	24	239
Retained profit brought forward	77	72	238	(1)
Profit after Tax	24	19	24	239
Gift aid under covenant	(19)	(14)	(238)	-
Retained profit carried forward	82	77	24	238

Turnover in LASS Ltd includes £33,000 (2021: £30,000) 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 2022 there was a £2,000 balance owed to LASS Ltd by the School (2021: £20,000 balance owed to the School by LASS Ltd) and a £nil balance owed from the School to BIL (2021: £nil).

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (continued)

The balance sheets for the year, as extracted from the audited accounts, are summarised below:

	LASS		BIL	
	2022	2021	2022	2021
	£ '000	£ '000	£ '000	£ '000
Fixed assets	82	86	-	-
Current assets	148	170	27	240
Less current liabilities	(148)	(179)	(3)	(2)
Net assets	82	77	24	238
Called up share capital	-	-	-	-
Profit and loss account	82	77	24	238
	82	77	24	238

5. INVESTMENT INCOME	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Change in Fair Value of Interest Rate Swap	568	-	-	568
Fixed Interest	1	-	-	1
	569	-	-	569

COMPARATIVE INVESTMENT INCOME – 2021				
	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Equities	-	29	12	41
Change in Fair Value of Interest Rate Swap	170	-	-	170
	170	29	12	211

6. GRANTS AND DONATIONS	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Other	42	-	582	624
	42	-	582	624

COMPARATIVE GRANTS AND DONATIONS – 2021				
	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Government Grants	536	-	-	536
Other	-	-	1,452	1,452
	536	-	1,452	1,988

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (continued)

7. (a) ANALYSIS OF EXPENDITURE

	Staff Costs	Other	Depreciation and Impairment	Total
EXPENDITURE	£ '000	£ '000	£ '000	£ '000
Costs of raising funds:				
Trading costs	74	248	4	326
Fundraising costs	210	180	-	390
Financing costs	-	263	-	263
Investment manager's fees	-	32	-	32
Total costs of raising funds	284	723	4	1,011
Charitable activities				
Education:				
Teaching costs	7,125	375	-	7,500
Welfare costs	3,673	991	-	4,664
Premises costs	501	1,394	1,100	2,995
Support and governance costs	2,737	2,215	284	5,236
Grants, awards and prizes	-	101	-	101
Impairment provision	-	-	-	-
Total charitable expenditure	14,036	5,076	1,384	20,496
Total expenditure	14,320	5,799	1,388	21,507

7 (a) COMPARATIVE ANALYSIS OF EXPENDITURE – 2021

	Staff Costs	Other	Depreciation and Impairment	Total
EXPENDITURE	£ '000	£ '000	£ '000	£ '000
Costs of raising funds:				
Trading costs	73	203	4	280
Fundraising costs	206	51	-	257
Financing costs	-	244	-	244
Investment manager's fees	-	38	-	38
Total costs of raising funds	279	536	4	819
Charitable activities				
Education:				
Teaching costs	7,236	212	-	7,448
Welfare costs	3,294	754	-	4,048
Premises costs	380	1,204	1,061	2,645
Support and governance costs	2,498	2,270	239	5,007
Grants, awards and prizes	-	98	-	98
Impairment provision	-	-	527	527
Total charitable expenditure	13,408	4,538	1,827	19,773
Total expenditure	13,687	5,074	1,831	20,592

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (continued)

7 (b) GOVERNANCE INCLUDED IN SUPPORT COSTS	2022	2021
	£ '000	£ '000
Remuneration paid to auditor for audit services	35	33
Remuneration paid to auditor for other services	5	4
Governors' reimbursement of expenses - travel	2	-
Other governance costs	93	110
	<u>135</u>	<u>147</u>
	<u><u>135</u></u>	<u><u>147</u></u>
 Number of Governing Council members reimbursed for expenses in the year	 2	 -
 7. (c) MOVEMENT IN FUNDS	 2022	 2021
	£ '000	£ '000
Group net movement in funds is stated after charging:		
Depreciation and impairment	1,388	1,827
Operating lease rentals		
- land and buildings	-	-
- other	62	79
	<u>62</u>	<u>79</u>
	<u><u>62</u></u>	<u><u>79</u></u>
 7. (d) Grants, awards, and prizes	 2022	 2021
	£ '000	£ '000
From restricted funds		
Bursaries and other awards	101	92
	<u>101</u>	<u>92</u>
	<u><u>101</u></u>	<u><u>92</u></u>
 8. FINANCING COSTS	 2022	 2021
	£ '000	£ '000
Fees in advance debt financing	6	8
Loan interest and bank charges	257	236
	<u>263</u>	<u>244</u>
	<u><u>263</u></u>	<u><u>244</u></u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (continued)

9. STAFF COSTS

	2022	2021
	No.	No.
The average number employed by the company within each category of persons was:		
Teaching (including peripatetic teachers)	144	146
Welfare	34	35
Premises	13	13
Support	195	196
	<u>386</u>	<u>390</u>

	£ '000	£ '000
The costs incurred in respect of these employees were:		
Wages and salaries	11,284	10,849
Social Security costs	1,189	1,107
Pension costs	1,711	1,696
Termination payment	10	35
	<u>14,194</u>	<u>13,687</u>

Aggregate employee costs of key management personnel	<u>1,138</u>	<u>1,093</u>
--	--------------	--------------

	No.	No.
The number of higher paid employees was:		
Taxable emoluments band:		
£60,000 - £70,000	16	12
£70,000 - £80,000	9	5
£80,000 - £90,000	2	4
£90,000 - £100,000	-	1
£100,000 - £110,000	1	1
£110,000 - £120,000	1	-
£130,000 - £140,000	1	1
£140,000 - £150,000	-	-
£210,000 - £220,000	1	1
	<u>1</u>	<u>1</u>

	No.	No.
The number with retirement benefits accruing was:		
In defined contribution schemes	7	5
In defined benefit schemes	23	19
	<u>23</u>	<u>19</u>

	£ '000	£ '000
In defined contribution schemes	60	48
In defined benefit schemes	412	343
	<u>412</u>	<u>343</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (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 2021	53,073	1,136	17,430	71,639	142	71,781
Additions	1,915	339	7,656	9,910	-	9,910
Disposals	-	(231)	-	(231)	-	(231)
Reclassifications						
At 31 July 2022	54,988	1,244	25,086	81,318	142	81,460
DEPRECIATION						
At 1 August 2021	15,018	897	-	15,915	56	15,971
Charge for the year	1,100	284	-	1,384	4	1,388
On Disposals	-	(231)	-	(231)	-	(231)
At 31 July 2022	16,118	950	-	17,068	60	17,128
NET BOOK VALUE						
At 31 July 2022	38,870	294	25,086	64,250	82	64,332
At 31 July 2021	38,055	239	17,430	55,724	86	55,810

11. INVESTMENTS

	2022 £ '000	2021 £ '000
Group and company		
At Market Value		
At 1 August 2021	6,790	5,951
Additions	10	6
Disposals	(31)	(30)
Investment Manager's Fees charged to Portfolio	(42)	-
Revaluations to closing or sale at Market Value	(131)	863
At 31 July 2022	6,596	6,790
Listed	5,688	6,359
Historical cost	6,108	5,947

Included within the charity balance sheet is £2 investment in the subsidiary companies (see note 4).

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
FOR THE YEAR ENDED 31 JULY 2022 (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 students will remain in the School for the normal duration:

	2022	2021
	£ '000	£ '000
After 5 years	49	-
Within 2 to 5 years	271	309
Within 1 to 2 years	260	378
	<u>580</u>	<u>687</u>
Within 1 year	420	561
	<u>1,000</u>	<u>1,248</u>

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

Balance at 1 August 2021	1,248
New contracts	362
	<u>1,610</u>
Amounts utilised in payment of fees to the School:	610
	<u>(610)</u>
Capital repaid	-
Balance at 31 July 2022	<u>1,000</u>

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)	-	-	151	-	151
- Designated (Clarke Will)	-	3,182	-	-	3,182
- General	64,250	1,572	(4,680)	(14,596)	46,546
Restricted funds	-	1,842	3,330	-	5,172
Charity funds	<u>64,250</u>	<u>6,596</u>	<u>(1,199)</u>	<u>(14,596)</u>	<u>55,051</u>
Subsidiary's reserves	82	-	24	-	106
Group funds	<u>64,332</u>	<u>6,596</u>	<u>(1,175)</u>	<u>(14,596)</u>	<u>55,157</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (continued)

17. ALLOCATION OF THE GROUP'S NET ASSETS EXCLUDING SHARE CAPITAL – 2021

	Fixed Assets £ '000	Investments £ '000	Net current Assets/ (Liabilities) £ '000	Long term Liabilities £ '000	Fund Balances £ '000
Unrestricted funds					
- Designated (Fees Safeguard Plan)	-	-	151	-	151
- Designated (Clarke Will)	-	3,475	-	-	3,475
- General	55,724	1,390	(1,127)	(11,424)	44,563
Restricted funds	-	1,925	3,073	-	4,998
Charity funds	55,724	6,790	2,097	(11,424)	53,187
Subsidiary's reserves	86	-	229	-	315
Group funds	55,810	6,790	2,326	(11,424)	53,502

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 2021 £ '000	Income £ '000	Investment Income £ '000	Expenditure £ '000	Investment Gains/(Losses) and Transfers £ '000	Balance at 31 July 2022 £ '000
Restricted Funds:						
Restricted Income funds	825	-	-	(1)	(4)	820
Seniors Bursary Fund	681	41	-	(30)	(13)	679
Trust Scholarships	862	-	-	(4)	(22)	836
Sacha and Susannah Stephens' Bursary	85	-	-	-	(2)	83
Founders Memorial Scholarship Fund	34	-	-	-	(1)	33
Founders Memorial Event Fund	23	-	-	-	-	23
Hunt Memorial Concert Fund	40	-	-	-	(1)	39
Trust Award	64	8	-	(45)	-	27
Heart of Benenden	2,214	475	-	-	(255)	2,434
Founders Scholarship	170	58	-	(30)	-	198
	4,998	582	-	(110)	(298)	5,172

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (continued)

2021 COMPARATIVE RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2020 £ '000	Income £ '000	Investment Income £ '000	Expenditure £ '000	Investment Gains/(Losses) and Transfers £ '000	Balance at 31 July 2021 £ '000
Restricted Funds:						
Restricted Income funds	246	547	2	(1)	31	825
Seniors Bursary Fund	607	36	4	(19)	53	681
Trust Scholarships	749	-	5	(5)	113	862
Sacha and Susannah Stephens' Bursary	73	-	1	-	11	85
Founders Memorial Scholarship Fund	29	-	-	-	5	34
Founders Memorial Event Fund	21	-	-	-	2	23
Hunt Memorial Concert Fund	34	-	-	-	6	40
Trust Award	82	21	-	(39)	-	64
Heart of Benenden Founders Scholarship	2,108	803	-	-	(697)	2,214
	164	45	-	(39)	-	170
	<u>4,113</u>	<u>1,452</u>	<u>12</u>	<u>(103)</u>	<u>(476)</u>	<u>4,998</u>

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

19. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2021 £ '000	Income £ '000	Investment Income £ '000	Expenditure £ '000	Investment Gains/(Losses) And Transfers £ '000	Balance at 31 July 2022 £ '000
Designated funds:						
Advance fee payments	151	-	-	-	-	151
Clarke Will	3,475	-	-	(15)	(278)	3,182
General fund Reserves	44,563	21,763	569	(21,051)	702	46,546
	<u>48,189</u>	<u>21,763</u>	<u>569</u>	<u>(21,066)</u>	<u>424</u>	<u>49,879</u>
Charity Non-charitable trading funds	315	379	-	(331)	(257)	106
Group	<u>48,504</u>	<u>22,142</u>	<u>569</u>	<u>(21,397)</u>	<u>167</u>	<u>49,985</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (continued)

2021 COMPARATIVE UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2020 £ '000	Income £ '000	Investment Income £ '000	Expenditure £ '000	Investment Gains/(Losses) And Transfers £ '000	Balance at 31 July 2021 £ '000
Designated funds:						
Advance fee payments	151	-	-	-	-	151
Clarke Will	2,857	-	29	(27)	616	3,475
General fund Reserves	43,083	20,776	170	(20,177)	711	44,563
	<u>46,091</u>	<u>20,776</u>	<u>199</u>	<u>(20,204)</u>	<u>1,327</u>	<u>48,189</u>
Charity Non-charitable trading funds	71	543	-	(285)	(14)	315
Group	<u>46,162</u>	<u>21,319</u>	<u>199</u>	<u>(20,489)</u>	<u>1,313</u>	<u>48,504</u>

20. SHARE CAPITAL

	2022 £	2021 £
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

	Other 2022 £ '000	2021 £ '000
Operating leases that are subject to future minimum lease commitments are as follows:		
Within one year	51	79
In the second to fifth years	11	45
In more than five years	-	-

The capital commitment for the School Hall and Music School at 31 July 2022 was £2.9m (2021: £2.7m) for which the School has arranged an unsecured term facility with HSBC. A further capital commitment relating to Boarding Accommodation upgrades at 31 July 2022 was £0.7m.

22. RELATED PARTIES

LIME AVENUE SALES AND SERVICES LIMITED – LASS Ltd

The directors of LASS Ltd, as indicated under Governing Council and Officers on page 38-39, are members of Governing Council or the Senior Management Team. During the year ended 31 July 2022 the company's turnover included £33,000 (2021: £30,000) from supplies to Benenden School (Kent) Limited. LASS Ltd also made a donation of £19,000 under gift aid to the charitable company. At the year-end, a balance of £2,000 was owed to LASS Ltd by Benenden School (Kent) Limited (2021: £20,000 was owed to Benenden School (Kent) Limited by LASS Ltd).

BENENDEN INTERNATIONAL LIMITED - BIL

Several members of Governing Council and the Senior Management Team also served in the year as directors of BIL, as indicated under Governing Council and Officers details. During the year recharges of £109,000 were paid by BIL to the School.

**BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (continued)**

22. RELATED PARTIES (continued)

Benenden School, a company registered in the United Kingdom with number 11352204, is a wholly owned subsidiary of the Charity.

No Governing Council members received any remuneration. During the year, three (2021: four) Governing Council members had children at the School. No Governing Council member received remuneration (2021: 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 (2021: £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 Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1.2m (2021: £1.2m) and at the year-end £146,000 (2021: £149,000) 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (continued)

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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

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

TPT Retirement Solutions' Growth Plan

Support 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 950 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 2021 this liability would have been £1.167m (2020: £1.856m). 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 £1.5m against this possible liability.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. 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 £120,000 (2021: £115,000) has been recognised in relation to this.

Both Schemes permit staff to make additional voluntary contributions.

	2022	2021
	£ '000	£ '000
Total contributions incurred during the year were:		
Teaching staff	1,164	1,192
Support staff	547	504
	<u>1,711</u>	<u>1,696</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022 (continued)

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES – 2021

	Unrestricted Funds		Restricted Funds	Total 2021
	General Funds	Designated Funds		
	£ '000	£ '000	£ '000	£ '000
INCOME FROM:				
Charitable activities				
School fees	18,955	-	-	18,955
Ancillary trading income	1,285	-	-	1,285
Other trading activities				
Trading company	543	-	-	543
Investment income	170	29	12	211
Voluntary sources				
Grants and donations	536	-	1,452	1,988
Total Income	21,489	29	1,464	22,982
EXPENDITURE ON:				
Raising funds				
Trading costs	280	-	-	280
Fundraising costs	257	-	-	257
Financing costs	244	-	-	244
Investment management	-	27	11	38
	781	27	11	819
Charitable activities				
Educational activities and grant making	19,681	-	92	19,773
Total Expenditure	20,462	27	103	20,592
NET INCOME BEFORE TAX	1,027	2	1,361	2,390
Taxation payable	-	-	-	-
NET INCOME AFTER TAXATION BEFORE INVESTMENTS GAINS	1,027	2	1,361	2,390
NET INCOME AFTER TAXATION AND INVESTMENTS GAINS	1,027	618	1,582	3,227
Transfers	697	-	(697)	-
NET MOVEMENT IN FUNDS	1,724	618	885	3,227
Balance brought forward at 1 August 2020	43,154	3,008	4,113	50,275
Balance carried forward at 31 July 2021	44,878	3,626	4,998	53,502

Governing Council and Officers

Benenden School (Kent) Limited 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, 21
Ms F J Conway Blakemore	15, 18
Mrs A V Caton (appointed 18 February 2023)	15
Ms A J Clarke	8,17,19
Dr F E Cornish	10, 21
Mrs D Coslett	3, 20
Dr R W Evenett~	9, 16
Mr P A J C Marshall	14, 20
Mr D McBeath (appointed 13 December 2021)	13, 18
Mrs M McDonald	12, 22
Mrs A McNab*~	2, 5, 11, 14, 17
Mr J P Pearce~	6, 17, 22
Mr P A Simpkin	15
Mrs C Stewart~ (appointed 18 February 2023)	19
Prof L C Taub	13, 19
Mrs C L Thomas (appointed 25 April 2022)	4, 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 Committee membership (as at 16 March 2023 or prior to retirement):

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

* 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 A Price
Director of Finance and Operations	Mrs J E Lerbech *
Secretary	Mr J M M Graham (until 31 December 2022)
Secretary	Mrs E J Bradley (from 1 January 2023)
Further members of the Senior Management Team	Mr M J L Commander ~
	Mr R N George
	Mrs A E Harber (until 31 August 2021)
	Mr K A Johnson
	Mr S Miller
	Mr I G Read
	Ms H J R Semple (from 1 September 2021)
	Mrs L A Tyler
	Mrs A M Wakefield

Address and Registered Office	Benenden School (Kent) Limited Cranbrook Kent TN17 4AA
-------------------------------	---

Company Number	196353
Charity Number	307854

Advisers

Bankers

Coutts & Co.
440 Strand
London WC2R 0QS

HSBC UK Bank Plc
1st 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

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Insurance Brokers

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



BENENDEN