

BENENDEN



Benenden School (Kent) Limited
Financial Statements for the
year ended 31 July 2023

Company Number 196353

Charity Number 307854

BENENDEN SCHOOL (KENT) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023
Registered Company No: 196353
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Chairman of Governing Council's Introduction

The presentation of Benenden School's annual report and accounts always offers its leadership the opportunity to reflect on a year of significant achievements by its students and staff and this year is no exception. The Head's Report and Review of the Year summarises the highlights of a characteristically busy year in which we saw the School at its energetic best. Whether in the classroom, in one of our several performing arts spaces, on the sports field or beyond the school gates in the wider community Benenden's students have each given of their best in their chosen fields. They have been inspired, encouraged and supported by a staff body who continually demonstrate a commitment to their roles which goes beyond expectation. Congratulations to all our students and staff on an extremely successful year which included a successful Compliance inspection by the Independent Schools Inspectorate in October 2022.

One of the major themes of 2023 has been the preparation for and then launch of the School's Centenary celebrations and as I write this we are midway through a programme of events to mark this major milestone in the School's history. Anniversaries always offer an opportunity for reflection as well as celebration and we have enjoyed several occasions which have looked back at the Benenden School journey to date and enabled us to reflect with real pride and satisfaction on the way that the Founders' original educational vision continues to define the School's Complete Education. As stewards for the time being of the School and its heritage, members of Governing Council are keenly aware of the responsibility they have to ensure that its heritage and ethos are respected while the School evolves to meet the demands and needs of today and tomorrow. During this Centenary Year we are therefore enjoying celebrating with the full School community at the same time as continuing to chart the School's path forwards into the middle part of the twenty first century.

For the last couple of years that path forwards has been affected by the financial impacts of the inflationary and turbulent economic landscape within which we operate. We have managed the School's finances carefully during that period and have also focussed efforts on alternative revenue streams to maximise the use of the Schools broader asset base and reduce reliance on school fees. These initiatives are now assuming an even greater significance for us in the face of the political threats to the independent schools sector in the UK. With the apparent probability of a change of government as a result of the upcoming general election, the sector is facing the very real prospect of VAT being imposed on school fees for the first time. As has been widely reported in the press the Labour party seems firmly committed to introducing this as one of their flagship policies. While along with the rest of the sector we remain unconvinced about the merits of the policy, we are now heavily engaged in work to understand its likely impact on the School's financial model and, therefore, on our fee paying parents. This is probably the most significant and imminent risk we face at the moment and we are doing all we can to prepare for it.

The Head's Report sets out the many academic and other educational achievements of the past year but I set out below a few of the broader developments which are particularly noteworthy in our Centenary year:

- Our first international school, Benenden Bilingual School Guangzhou, opened its doors to its first students in September 2023. Owned and operated by our Hong Kong based education partner, CTF Education, the new school proudly reflects Benenden's educational ethos while operating on a state of the art newly built campus in the Panyu district of Guangzhou. We are delighted to have taken the Benenden educational brand into the international school market for the first time and venture will deliver a revenue stream to support the UK school and its bursary programme in particular;
- Hemsted Park launched as our new commercial performing arts brand and held its first open to the public theatrical and musical events in our Centenary Hall and in the theatre. Making full use of the School's excellent performing arts spaces, in particular the Centenary Hall, it enables external audiences from the local area to be benefit from our facilities while generating welcome commercial revenue for the School.
- In September the School hosted a two day conference on Inspiring Female Leaders. It attracted a wide audience and was notable for the fact that all the speakers were Benenden Seniors. We were greatly honoured that HRH The Princess Royal addressed the conference as part of a wider visit to the School;
- "Benenden 100" was published as part of the Centenary celebrations. Building on the histories of the School which had been written for the 50th and 75th anniversaries of its founding, Benenden 100 features 100 members of the Benenden community past and present, each of whom is considered to exemplify the School's ethos and values. It makes inspiring reading, not least as a showcase of the diversity of the career and life paths which many Seniors have followed from the earliest days of the School's founding up to the present day;
- The Centenary Campaign was launched in Autumn 2023 with a focus on raising much needed funds to help finance the restoration and modernisation of the main Hemsted House, our sports centre SPLASH

and the lower and middle school boarding houses. This campaign builds on from the success of the Heart of Benenden Campaign which was key to being able to deliver the Centenary Buildings. It reflects the fact that the preservation and modernisation of the Estate is an ongoing priority and it can only be achieved to the standard required for a school of Benenden's standing with generous philanthropic support. The Centenary Campaign will sit alongside the Be The Change initiative launched in early 2022 and which has already delivered £2.5 million towards our ambitious bursary funding programme.

As 2023 gives way to 2024 change is in the air at Benenden as the School prepares to say farewell to Mrs Samantha Price who, after 10 years as Headmistress, is sadly leaving the School at the end of the Academic Year. She will leave a strong legacy and leaves with our profound thanks and very best wishes. The leadership of Governing Council will also change in the summer as I stand down as Chairman, to be succeeded by our supremely able and committed Vice Chair, Mrs Anne McNab. For both Mrs Price and myself it has been an extraordinary privilege to be part of the School over the last decade and to complete our tenures with the Centenary. It is fitting that as the School moves into its second century it will do so with a new Head and new Chairman. The School is well placed to meet the challenges, both known and unknown, which lie ahead and I wish it every success.

The Hon Mrs A Birkett MA, MBA

Head's Report

Review of the Year

Activities and Achievements

The 2022-23 academic year represented a very successful year at Benenden, as we reflect on many achievements both School-wide and individual.

Some 57 per cent per cent of A Level grades were at A* or A this year, up from 55 per cent in 2019: the pre-Covid standard against which the Government was benchmarking schools. The A* – B rate was also higher, by two percentage points, at 82 per cent – these results were achieved against a nationwide picture of fewer top results being awarded.

Benenden's Class of 2023 are now studying at leading universities around the world. UK destinations include Oxford, Cambridge, UCL, LSE, Durham and Edinburgh. International courses are always popular at Benenden, with destinations this year including Columbia/Barnard, Columbia/Trinity, Boston and Toronto.

An incredible 82 per cent of all GCSE grades were at Levels 9-7 – the highest rate seen since 2016 excluding the Covid-affected years. The results represent Benenden's best GCSE results since the reformed GCSEs were introduced.

As part of its commitment to A Complete Education, we were delighted to launch the brand-new Electives Programme for the Lower School and Sixth Form. The Electives Programme steps outside the confines of syllabus and curriculum and embraces learning for the love of learning, revelling in the inherent value of knowledge. Students rotate through a wide range of esoteric courses (69 in total), ranging from the practical, such as An Introduction to Investments or British Sign Language, to the more curious, such as Decrypting Crosswords, Meteorology, and Metacognition.

Last year also saw Benenden's Art and Creative Technology Department reimagined and refreshed and Esports also emerged as a competitive phenomenon at School last year, resembling traditional sports with its human vs human competitive matches and captivating spectator experiences.

Some of our expert speakers last year included Baroness Barran MBE, Parliamentary Under Secretary of State at the Department for Education. She discussed her current role in the House of Lords, and her varied responsibilities. Renowned chef Marcus Wareing also urged Benenden students to pursue the things they love, outlining the array of career opportunities available in the food industry and encouraging the audience to pursue their passions.

Actors, singers and dancers in our Upper School wowed audiences with their exceptional rendition of Chicago, demonstrating their talent and dedication through a witty tale of crime, infamy and celebrity. Not to be outdone, the Upper Fourth's also gave an exceptional performance of Alan Ayckbourn's Ernie's Incredible Illusions. The Benenden community was also treated to a spectacular evening of Dance across a range of styles at the Benenden Dance Show.

We were delighted to host the National Schools' Lacrosse Championships for U14s in March and fantastic team and individual performances were displayed by Benenden players throughout the tournament. The Summer term saw two significant milestones for Cricket at Benenden. The U15 Cricketers travelled to Bede's School for their first ever Sussex League match and the U13s travelled to Sutton Valence School for their first ever hardball match.

An enterprising group of Benenden Upper Fifth students – collectively called the FABonoids – won the University of Cambridge Davidson Inventors Challenge 2023. As well as a cash prize, the students were invited to spend a couple of days in the university's labs.

A Six One student also won first prize in an essay competition organised by HMC Projects in Central and Eastern Europe, with an impressive and moving piece about her experience of education in a British boarding school. Detailing the student's adjustment to joining Benenden from Ukraine, the essay was described by HMC Projects as "outstanding".

Trips are back in full swing and in March some 28 Six Two students travelled to Kraków, Poland to experience three days fully immersed in Polish history and culture. During the Easter break, a group of keen Spanish students in the Fifth also set off on a six-day adventure to discover Valencia.

In October 2022 the School was visited by the Independent Schools Inspectorate for a routine Regulatory Compliance Inspection, which found the School to be compliant in all areas – the best possible outcome.

We are proud of our achievements at Benenden and are grateful to everyone who has been involved in this success. Our 2022-23 successes have led us neatly into our Centenary year, which at the time of writing we are enjoying celebrating.

Partnerships

Benenden's Partnerships Programme continues to go from strength to strength, with more than 4,000 hours of outreach activities undertaken by students and staff at more than 30 different organisations including primary and secondary schools, libraries, care homes and social hubs. Over the year 2022-23 the approximate calculation was 2,030 staff hours devoted to partnerships activities, which was estimated to be in the region of £116,000 in terms of salary cost to the School.

During the year we enjoyed a range of events that were open to our partnered institutions and the wider community. We were delighted to welcome Year 12 and 13 students from 20 visiting schools to join our Sixth Formers for a conference organised in collaboration with the Girls' Schools Association and University College London, entitled The Art of Disagreeing Well. The conference sought to encourage openness, tolerance and empathy in debate.

Other events included the annual STEM Convention, a day dedicated to promoting STEM subjects through a vibrant programme including guest speakers, student-led presentation carousels and a bustling Science fair.

The John Wallis Church of England Academy

Benenden continues to work closely with The John Wallis Academy to initiate and support activities. The Student Mentoring programme has been expanded to now run for two years, covering Year 10 to Year 11 for The John Wallis Academy pupils. This ensures a longer-term relationship between the two sets of pupils.

The attendance for the Benenden and John Wallis Academy Combined Cadet Force is up, with 56 pupils from the John Wallis Academy (up from 30 in the previous year, and with 50% now female). This figure has been matched by the Benenden contingent, resulting in the highest-attended Combined Cadet Force since its inception.

The John Wallis Academy is also connected to Benenden's partnership with the English National Opera which will form one of the highlights of the 2023-24 academic year. Two year groups from The John Wallis Academy Primary School also enjoyed forest school mornings in Benenden's woods in October.

The Volunteering Programme

Volunteering has continued apace, with strong levels of commitment from the pupils on Tuesday afternoons. The programme incorporates 72 pupil volunteers, across 11 locations. We have managed to continue to ensure our partners are supported throughout the Autumn and Spring terms. The ethos of volunteering is firmly established within the Sixth Form with both year groups undertaking a term's placement with an average of 130 hours of student volunteering happening every week within the Autumn and Spring terms.

Kent Academies Network

Benenden continues to support the Kent Academies Network, providing staff to assist in the candidate selection and to teach at the residential part of the summer course. Benenden is keen to play a more prominent role within the scheme and we are exploring how best this can be achieved.

The Local Hub

The Wealden Hub is a group of local schools within the Weald of Kent, led by Benenden, which looks to utilise the resources of the schools to offer support, training and resources to colleagues in a range of schools. Benenden has supported some events with staff and resources. Growth in opportunities offered has continued and through the STEM partnerships many more schools have been able to take part in a range of initiatives.

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. Above all, we want our students – whether, boarders or day students – to relish all that life in a boarding school has to offer, to enjoy their learning, develop intellectual curiosity and be ambitious, while 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.

Vision

Inspiring future thinkers and leaders to shape a better world.

Mission

Through our Complete Education, we:

- Create a culture of intellectual curiosity
- Ignite a passion for creativity and innovation
- Nurture the value of community, and
- Inspire each individual to make a difference

This mission is underpinned by our values of confidence, compassion, courage and courtesy.

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 commenced a broad-based strategic review to consider how Benenden can best move forward into its next century. Operational, financial and strategic challenges continue around managing increased inflation and costs, balancing capital projects and planning for the potential implication of VAT on fees. Whilst these have had an impact on the operations and financial position of the School and will continue to do so for the foreseeable future, Governing Council is satisfied that the School remains both operationally and financially in a stable and secure position and the strategic review will ensure that the School continues to excel in all areas. 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. Working with other local schools we continue to offer a comprehensive graduate teacher training programme and an integrated professional development programme for teaching staff to support their progression to middle and senior leadership

positions. This supports the development of outstanding teaching and leaders both at Benenden and within the wider profession. Career development for support staff also remains a focus with training provided both within the School and via attendance on a broad range of external courses. We also make active use of the Apprenticeship Levy funding to help develop colleagues in a range of roles.

The Staff Wellbeing Committee, with representatives from a wide range of roles within the School, 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 in person or remotely, either live or recorded, 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 and other members of the Senior Management Team and the People Services 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

Firstly, the entire Benenden community offers their congratulations to Mrs Samantha Price following her appointment as the Head of Cranleigh School and looks forward to welcoming Ms Rachel Bailey as Headmistress in September 2024. Ms Bailey has already started spending time at Benenden, getting to know the community ahead of her formally starting her new role.

The Centenary Vision Project (ten-year strategy plan) centres on a range of capital projects, together with fundraising for means-tested bursaries. The first three phases of the Project included the delivery of the All-Weather Pitch and Pavilion, Weston Crescent staff housing, the Centenary Buildings, and the first half of our ambitious fundraising campaign Be the Change which seeks to significantly increase the level of bursary support we are able to provide and to broaden our partnerships work. Since the Be the Change campaign launch by HRH The Princess Royal in January 2022 members of our community have committed £2.5 million of pledges towards the campaign target of £5 million.

The final phase of the Vision is The Centenary Campaign which launched in the 2023-24 academic year. The campaign goal is to raise £10 million for the vital restoration of Hemsted House, the modernisation of our Middle School Boarding Houses and sports facilities, and the continuation of our important bursary and partnerships work.

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, and refurbishment work to areas of Echyngam, Guldeford, Norris and Hemsted Houses during the summer of 2022 and 2023. Dorm floors have now been replaced across all four Sixth Form Founders Houses. Plans continue for the refurbishment of other areas together with the restoration of the roof to Hemsted and parts of Norris, which will be a significant undertaking.

Hemsted Park, which sits within the School as its Commercial Arts extension, formally commenced in early 2023. Hemsted Park aims to maximise the use of the extensive performing arts spaces within the School, including the Centenary Buildings and the Theatre, by hosting a range of performing arts events aimed at the local community. Performances to date have included the BBC Big Band, Ronnie Scott's All Stars and the London Film Music Orchestra. It is hoped that the performance schedule will continue to grow to several seasons per year, providing an additional revenue stream to the School whilst widening access to our site and facilities to the local community.

Reporting to the Finance Committee, planning has commenced for the possible introduction of VAT on school fees. Extensive modelling has been undertaken to understand the likely impact of VAT on the School and to consider any possible mitigations.

Benenden International Limited (BIL), a wholly owned subsidiary of Benenden School (Kent) Limited has continued to act on behalf of the School to facilitate access to the international school market and take advantage of other potential options for business diversification as and when suitable opportunities arise. BIL's primary purpose remains to provide an additional income stream for the School. On 1 September 2023, BIL opened its first international school in Guangzhou, China. The school, Benenden Bilingual School Guangzhou (BBSG), is the first of five Benenden international schools to be established within the region via a partnership with Chow Tai Fook Education Group (CTFEG), a Hong Kong-based educational group. During the pre-opening period, the staff of BIL have worked closely alongside the BBSG team in establishing the educational and operation models for the school, assisted with recruiting, and conducting pre-opening inspections. The first months of operation have proved to be very successful, with a strong opening pupil roll in what is a competitive

environment.

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 via a fundraising campaign. 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 £22.7 million to £24.6 million primarily due to an increase in fees receivable resulting from a rise in termly fees along with an increase in holiday sub-letting which returned to closer to pre-pandemic levels.

Expenditure increased from £21.5 million to £24.1 million primarily as a result of increased inflationary pressures and a change in the depreciation policy on some capital expenditure items. The surplus achieved of £1.5 million, including gifts, grants and donations, investment gains 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 this 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.

	2023	2022
Student numbers (average)	545	530
Fee concessions as a percentage of gross fees	7.80%	7.10%
Direct teaching costs as a percentage of gross fees	31.3%	34.5%
Increase in school fees	6.50%	3.75%

Reserves

At 31 July 2023, the School had unrestricted funds of £51.0 million, of which £3.3 million were designated, and restricted funds totalling £5.7 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.

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 £16.3 million (2022: £17.7 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.

Teachers' Pension Scheme

Following the considerable increases in cost to the School in relation to the Teacher's Pension Scheme (TPS) in recent years Governing Council elected to close membership of the Scheme to new teaching staff joining Benenden from September 2022. An alternative Defined Contribution pension and benefit scheme has been offered to teaching colleagues joining Benenden from September 2022. Following a thorough statutory consultation process with TPS members, which commenced in October 2022 an agreement was reached with staff whereby they have the option to remain in the TPS, but at a capped cost to the School, or alternatively move to the new Defined Contribution scheme. This took effect from January 2024 and as such has protected the School against future increases in the TPS employer contribution rate.

Fundraising Practices

Fundraising is conducted through the School's Development Office. The principal aims for the year was the launch of a significant and ongoing bursary fundraising initiative to significantly increase the charitable funding available for means-tested full bursaries. This campaign has subsequently been widened to include fundraising towards the refurbishment of certain boarding houses and the Hemsted roof. Benenden Connects – the School's online portal, which brings Seniors, Parents, Friends, Staff and Sixth Formers together, has continued to grown in popularity.

In-person events in the year have included two New Parents' Dinners, a Benenden Society Reception in London to launch the School's Be the Change bursary and partnerships campaign; and Seniors' Day; as well as 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.

	2023	2022
Electricity use	1,761,796 kWh	1,911,915 kWh
Gas combustion	5,283,515 kWh	5,257,440 kWh
Transport	134,622 kWh	203,683 kWh
Total	7,179,933 kWh	7,373,038 kWh

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

	2023	2022
Electricity use	364.8 tCO ₂ e	369.7 tCO ₂ e
Gas combustion	966.5 tCO ₂ e	960.0 tCO ₂ e
Transport	33.5 tCO ₂ e	29.1 tCO ₂ e
Total	1,364.8 tCO ₂ e	1,358.8 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 2.48 tCO₂e (2022: 2.53 tCO₂e) per student for the reporting year, based on 543 students (2022: 532 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 2023.

In the year to 31 July 2023, Benenden School has insulated over 2,350m² of attic space in five separate buildings to improve heat retention and reduce heat loss, so saving on heating costs. Six boilers were replaced with more efficient plant. The boiler temperatures have been reduced and pump and motor times have been adjusted to save energy, and emissions. An ongoing programme of replacing old light fittings with new LED fittings has continued.

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 2023, the portfolio has achieved a total return of +20.0% (net of all costs) versus the bespoke benchmark return of +25.1%: ICE BofA Sterling Corporate & Collateralized Index (7.5%), ICE BofA UK Gilts All Stocks (7.5%), MSCI AC World (Local Currency) (GBP) (10%), MSCI All Countries World Daily (Net Total Return) (60%), MSCI All Balanced Property Funds - One Quarter Lagged (5%), 2% per annum above SONIA (alternative assets) (10%). The ARC Steady Growth Peer Group returned 13.1% over the same period.

For the 12 months to July 2023, the portfolio returned +0.8%, ahead of the ARC Steady Growth Peer Group return of +0.2%. This reflects the challenges we have seen in markets over the year, with rhetoric from central banks remaining tough in a clear attempt to convince markets that interest rates will remain higher for longer to keep a lid on the potential for a resurgence of inflation.

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 bi-annually, 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 two times per year or more frequently if required. A separate group may be established to respond to a particular risk, with the most recent example being the now disbanded 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 School Development Group, which includes both the Senior Management Team and members of the wider staff, meet regularly throughout the year to develop, and inform wider strategy for beyond the Centenary year. This group has informed the Governor Strategic Review group, which was formed in Spring 2023 and, together with the Senior Management Team, is progressing the wider strategic planning as Benenden moves beyond its Centenary. 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. Following a review of the timetable an exciting range of Electives was introduced to the curriculum in September 2022. Taught by a range of Benenden staff the Electives cover a broad range of topics from outside the core curriculum, including sign language, journalism and local politics.

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 which in turn reports to the Estates 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. **Introduction of VAT on independent school fees and loss of business rate relief by independent schools**. These are significant risks to the School and their impact on the school's finances and its parent base is being actively assessed by the Finance Committee. The School continues to work hard to support the independent sector on these issues via its engagement with the GSA, HMC, BSA and the ISBA.
 - b. **Wider economic environment**. The initial economic impact of Brexit has now expanded to include the ongoing economic effects of the war in Ukraine and the broader risk of recession. High inflation rates continue to 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.
 - c. **Geographical financial dependence**. A priority for the School is to ensure that students from all parts of the globe are able to 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.
 - d. **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.

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.

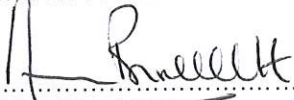
So far as each of the Directors is aware at the time the report is approved:

- 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 13 March 2024 and signed on its behalf by



.....
The Hon Mrs A Birkett
Chairman

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 2023 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 2023 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' at the end.

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

Date: 30 April 2024

BENENDEN SCHOOL (KENT) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2023

		Unrestricted Funds			Total	Total
	Notes	General Funds	Designated Funds	Restricted Funds	2023	2022
		£ '000	£ '000	£ '000	£ '000	£ '000
INCOME FROM:						
Charitable activities						
School fees	2	21,909	-	-	21,909	20,279
Ancillary trading income	3	1,900	-	-	1,900	1,442
Other trading activities						
Trading company	4	380	-	-	380	379
Investment income	5	1	1	-	2	569
Voluntary sources						
Grants and donations	6	92	-	923	1,015	624
Total Income		24,282	1	923	25,206	23,293
EXPENDITURE ON:						
Raising funds						
Trading costs	4	382	-	-	382	326
Fundraising costs		396	-	-	396	390
Financing costs	8	625	-	-	625	263
Investment management		7	16	9	32	32
		1,410	16	9	1,435	1,011
Charitable activities						
Educational activities and grant making		22,498	-	179	22,677	20,496
Total Expenditure	7	23,908	16	188	24,112	21,507
NET INCOME BEFORE TAX		374	(15)	735	1,094	1,786
Taxation payable		-	-	-	-	-
NET INCOME AFTER TAXATION BEFORE INVESTMENTS GAINS/(LOSSES)		374	(15)	735	1,094	1,786
Investment gains/(losses)	11	20	40	(4)	56	(131)
Gain on Interest Rate Swap		389	-	-	389	-
NET INCOME AFTER TAXATION AND INVESTMENTS GAINS/(LOSSES)		783	25	731	1,539	1,655
Transfers	18, 19	188	-	(188)	-	-
NET MOVEMENT IN FUNDS		971	25	543	1,539	1,655
Balance brought forward at 1 August 2022		46,652	3,333	5,172	55,157	53,502
Balance carried forward at 31 July 2023	17, 18, 19	47,623	3,358	5,715	56,696	55,157

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	
		2023 £ '000	2022 £ '000	2023 £ '000	2022 £ '000
FIXED ASSETS					
Tangible assets	10	63,959	64,332	63,881	64,250
Investments	11	6,619	6,596	6,619	6,596
Investment in subsidiaries	11	-	-	-	-
		<u>70,578</u>	<u>70,928</u>	<u>70,500</u>	<u>70,846</u>
CURRENT ASSETS					
Stock		219	177	58	43
Debtors: amounts falling due within one year	12	2,235	1,815	2,272	1,805
Cash at bank and in hand		6,920	4,407	6,912	4,378
		<u>9,374</u>	<u>6,399</u>	<u>9,242</u>	<u>6,226</u>
CREDITORS: amounts falling due within one year	13	<u>(4,508)</u>	<u>(7,124)</u>	<u>(4,339)</u>	<u>(6,975)</u>
NET CURRENT ASSETS		<u>4,866</u>	<u>(725)</u>	<u>4,903</u>	<u>(749)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>75,444</u>	<u>70,203</u>	<u>75,403</u>	<u>70,097</u>
CREDITORS: amounts falling due after more than one year	14	<u>(18,748)</u>	<u>(15,046)</u>	<u>(18,748)</u>	<u>(15,046)</u>
NET ASSETS		<u><u>56,696</u></u>	<u><u>55,157</u></u>	<u><u>56,655</u></u>	<u><u>55,051</u></u>
FUNDS AND CAPITAL					
Unrestricted Funds:	19				
- General		47,623	46,652	47,582	46,546
- Designated		3,358	3,333	3,358	3,333
Restricted Income Funds	18	5,715	5,172	5,715	5,172
Called up share capital	20	-	-	-	-
TOTAL FUNDS		<u><u>56,696</u></u>	<u><u>55,157</u></u>	<u><u>56,655</u></u>	<u><u>55,051</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 £25.2m (2022: £22.9m) with a surplus of £1.6m (2022: £1.6m).

The financial statements were approved and authorised for issue by the Governing Council on 13 March 2024 and signed on its behalf by:


 The Hon Mrs A Birkett
 Governing Council Member


 Anne McNab
 Governing Council Member

**BENENDEN SCHOOL (KENT) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2023**

	2023		2022	
	£ '000	£ '000	£ '000	£ '000
Net cash flow from operations				
Net movement in funds	1,539		1,655	
Depreciation charges (Note 10)	2,694		1,388	
Investment income	(2)		(569)	
Financing costs	625		263	
Loss on disposal of fixed assets	2		-	
Investment managers charges	32		32	
Investments (gains)/losses	(56)		173	
(Increase) in debtors	(420)		(162)	
(Decrease)/increase in creditors (excluding fees in advance)	(2,524)		1,257	
(Increase)/decrease in stock	(42)		26	
(Decrease) in advanced fees	(205)		(248)	
Net cash provided by operations		1,643		3,815
Net cash flow from investing activities				
Investment income	2		569	
Investment managers fees	(32)		(32)	
Proceeds from sale of investments	19		31	
Purchase of investments	-		(10)	
Payments for tangible fixed assets	(2,324)		(9,910)	
Net cash used in investing activities		(2,335)		(9,352)
Cash flows from Financing				
Cash inflows from new borrowing	3,965		3,806	
Financing costs	(625)		(263)	
Repayments	(150)		-	
Net cash provided by financing activities		3,190		3,543
Increase in cash and cash equivalents		2,498		(1,994)
Cash and cash equivalents at beginning of the period		4,288		6,282
Cash and cash equivalents at the end of the period		6,786		4,288

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023	2022
	£ '000	£ '000
Cash in hand and at bank	6,644	4,073
Cash on deposit	276	334
Bank overdraft (subsidiary)	(134)	(119)
	6,786	4,288

BENENDEN SCHOOL (KENT) LIMITED
CONSOLIDATED CASH FLOW STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2023

ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2022	Cash flows	Non-cash movements	At 31 July 2023
	£ '000	£ '000	£ '000	£ '000
Cash	4,073	2,571	-	6,644
Deposits	334	(58)	-	276
Bank overdraft (subsidiary)	(119)	(15)	-	(134)
	<u>4,288</u>	<u>2,498</u>	<u>-</u>	<u>6,786</u>
Loan: Less than one year	(331)	(269)	-	(600)
Loan: Greater than one year	(10,704)	(3,546)	-	(14,250)
	<u>(6,747)</u>	<u>(1,317)</u>	<u>-</u>	<u>(8,064)</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, the principal judgement and source of estimation uncertainty relates to the valuation of the interest rate swap (as detailed in 1.13).

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.

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 of corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. Income generated outside these charitable activities are liable to tax.

1.6 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £1,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £300 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs 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% - 10% on cost
Furniture and Equipment:	
- Furniture, Equipment and IT	- 20% - 33% on cost
- Motor Vehicles	- 33% on cost

No depreciation is provided on freehold land.

1.7 Investments

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

1. ACCOUNTING POLICIES (continued)

1.8 Stock

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

1.9 Fund accounting

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

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

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

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

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

1.10 Pension costs

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

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

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

1.11 Operating leases

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

1.12 Financial instruments

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

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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 SONIA rates and is therefore subject to the interest rate market.

2. SCHOOL FEES	2023	2022
	£ '000	£ '000
Fees receivable comprises		
Current fees	23,576	21,729
Less: Allowances, Scholarships and Bursaries	(1,848)	(1,552)
	<u>21,728</u>	<u>20,177</u>
Add: Amount from The Benenden School Hong Kong Trust	2	1
Bursaries and other awards paid for by restricted funds	179	101
	<u>21,909</u>	<u>20,279</u>

Scholarships, bursaries and other awards were paid to 102 students (2022: 113 students). Within this, means tested bursaries totalling £1,417,000 were paid to 42 students (2022: £1,165,000 to 43 students).

3. ANCILLIARY TRADING INCOME	2023	2022
	£ '000	£ '000
Fee income for extra subjects	1,080	976
Entrance and registration fees	103	67
Courses and sub-lettings	405	130
Other income	312	269
	<u>1,900</u>	<u>1,442</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (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	
	2023	2022	2023	2022
	£ '000	£ '000	£ '000	£ '000
Turnover	332	304	90	108
Cost of Sales	(196)	(179)	-	-
Gross Profit	136	125	90	108
Administrative Expenses	(96)	(96)	(132)	(84)
Operating profit	40	29	(42)	24
Interest payable	(10)	(5)	-	-
Net profit	30	24	(42)	24
Corporation Tax	-	-	-	-
Profit after Tax	30	24	(42)	24
Retained profit brought forward	82	77	24	238
Profit after Tax	30	24	(42)	24
Gift aid under covenant	(28)	(19)	(25)	(238)
Retained profit carried forward	84	82	(43)	24

Turnover in LASS Ltd includes £42,000 (2022: £33,000) 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 2023 there was a £NIL balance owed to LASS Ltd by the School (2022: £2,000 balance owed to LASS Ltd by the School) and a £45,000 balance owed to the School from BIL (2022: £nil).

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (continued)

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

	LASS		BIL	
	2023	2022	2023	2022
	£ '000	£ '000	£ '000	£ '000
Fixed assets	78	82	-	-
Current assets	171	148	6	27
Less current liabilities	(165)	(148)	(48)	(3)
Net assets	84	82	(42)	24
Called up share capital	-	-	-	-
Profit and loss account	84	82	(42)	24
	<u>84</u>	<u>82</u>	<u>(42)</u>	<u>24</u>

5. INVESTMENT INCOME	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Fixed Interest	1	1	-	2
	<u>1</u>	<u>1</u>	<u>-</u>	<u>2</u>

COMPARATIVE INVESTMENT INCOME – 2022				
	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Change in Fair Value of Interest Rate Swap	568	-	-	568
Fixed Interest	1	-	-	1
	<u>569</u>	<u>-</u>	<u>-</u>	<u>569</u>

6. GRANTS AND DONATIONS	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Development and other donations	92	-	923	1,015
	<u>92</u>	<u>-</u>	<u>923</u>	<u>1,015</u>

COMPARATIVE GRANTS AND DONATIONS – 2022				
	Unrestricted	Designated	Restricted	Total
	£ '000	£ '000	£ '000	£ '000
Development and other donations	42	-	582	624
	<u>42</u>	<u>-</u>	<u>582</u>	<u>624</u>

BENENDEN SCHOOL (KENT) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 JULY 2023 (continued)

7. (a) ANALYSIS OF EXPENDITURE

	Staff Costs	Other	Depreciation and Impairment	Total
EXPENDITURE	£ '000	£ '000	£ '000	£ '000
Costs of raising funds:				
Trading costs	75	303	4	382
Fundraising costs	237	159	-	396
Financing costs	-	625	-	625
Investment manager's fees	-	32	-	32
Total costs of raising funds	312	1,119	4	1,435
Charitable activities				
Education:				
Teaching costs	7,009	361	-	7,370
Welfare costs	3,600	1,225	-	4,825
Premises costs	553	1,526	2,263	4,342
Support and governance costs	2,748	2,786	427	5,961
Grants, awards and prizes	-	179	-	179
Total charitable expenditure	13,910	6,077	2,690	22,677
Total expenditure	14,222	7,196	2,694	24,112

7 (a) COMPARATIVE ANALYSIS OF EXPENDITURE – 2022

	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
Total charitable expenditure	14,036	5,076	1,384	20,496
Total expenditure	14,320	5,799	1,388	21,507

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (continued)

7 (b) GOVERNANCE INCLUDED IN SUPPORT COSTS	2023	2022
	£ '000	£ '000
Remuneration paid to auditor for audit services	41	35
Remuneration paid to auditor for other services	4	5
Governors' reimbursement of expenses - travel	2	2
Other governance costs	135	93
	<u>182</u>	<u>135</u>
Number of Governing Council members reimbursed for expenses in the year	5	2
7. (c) MOVEMENT IN FUNDS	2023	2022
	£ '000	£ '000
Group net movement in funds is stated after charging:		
Depreciation and impairment	2,694	1,388
Operating lease rentals		
- land and buildings	-	-
- other	89	62
	<u>89</u>	<u>62</u>
7. (d) Grants, awards, and prizes	2023	2022
	£ '000	£ '000
From restricted funds		
Bursaries and other awards	179	101
	<u>179</u>	<u>101</u>
8. FINANCING COSTS	2023	2022
	£ '000	£ '000
Fees in advance debt financing	6	6
Loan interest and bank charges	619	257
	<u>625</u>	<u>263</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (continued)

9. STAFF COSTS

	2023	2022
	No.	No.
The average number employed by the company within each category of persons was:		
Teaching (including peripatetic teachers)	146	144
Welfare	35	34
Premises	13	13
Support	197	195
	<u>391</u>	<u>386</u>
	<u><u>391</u></u>	<u><u>386</u></u>
	£ '000	£ '000
The costs incurred in respect of these employees were:		
Wages and salaries	11,218	11,284
Social Security costs	1,169	1,189
Pension costs	1,681	1,711
Termination payment	154	10
	<u>14,222</u>	<u>14,194</u>
	<u><u>14,222</u></u>	<u><u>14,194</u></u>
Aggregate employee costs of key management personnel	<u>1,277</u>	<u>1,252</u>
	<u><u>1,277</u></u>	<u><u>1,252</u></u>
The number of higher paid employees was:	No.	No.
Taxable emoluments band:		
£60,000 - £70,000	28	16
£70,000 - £80,000	9	9
£80,000 - £90,000	3	2
£90,000 - £100,000	2	-
£100,000 - £110,000	-	1
£110,000 - £120,000	1	1
£130,000 - £140,000	-	1
£140,000 - £150,000	1	-
£210,000 - £220,000	1	1
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>
The number with retirement benefits accruing was:	No.	No.
In defined contribution schemes	9	7
In defined benefit schemes	36	23
	<u>36</u>	<u>23</u>
	<u><u>36</u></u>	<u><u>23</u></u>
	£ '000	£ '000
In defined contribution schemes	71	60
In defined benefit schemes	605	412
	<u>605</u>	<u>412</u>
	<u><u>605</u></u>	<u><u>412</u></u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (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 2022	54,988	1,244	25,086	81,318	142	81,460
Additions	1,905	369	50	2,324	-	2,324
Disposals	(3)	-	-	(3)	-	(3)
Reclassifications	24,718	367	(25,085)			-
At 31 July 2023	81,608	1,980	51	83,639	142	83,781
DEPRECIATION						
At 1 August 2022	16,118	950	-	17,068	60	17,128
Charge for the year	2,263	427	-	2,690	4	2,694
On Disposals	-	-	-	-	-	-
At 31 July 2023	18,381	1,377	-	19,758	64	19,822
NET BOOK VALUE						
At 31 July 2023	63,227	603	51	63,881	78	63,959
At 31 July 2022	38,870	294	25,086	64,250	82	64,332

11. INVESTMENTS

	2023 £ '000	2022 £ '000
Group and company		
At Market Value		
At 1 August 2022	6,596	6,790
Additions	-	10
Disposals	(19)	(31)
Investment Manager's Fees charged to Portfolio	(32)	(42)
Revaluations to closing or sale at Market Value	74	(131)
At 31 July 2023	6,619	6,596
Listed	5,986	5,688
Historical cost	6,274	6,108

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 2023 (continued)

12. DEBTORS	Group		Charity	
	2023 £ '000	2022 £ '000	2023 £ '000	2022 £ '000
Fee debtors less refundable deposits	469	386	469	386
Other debtors	164	103	159	96
Prepayments and accrued income	783	876	780	873
Amounts owed by trading subsidiaries	-	-	45	-
Interest Rate Swap asset	819	450	819	450
	<u>2,235</u>	<u>1,815</u>	<u>2,272</u>	<u>1,805</u>
The bad debt expense for the period was	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
13. CREDITORS: amounts falling due within one year	Group		Charity	
	2023 £ '000	2022 £ '000	2023 £ '000	2022 £ '000
Loans and overdrafts	745	476	611	357
Trade creditors	789	928	781	919
Fees received in respect of Autumn Term	744	757	744	757
Social Security and Other Taxes	293	304	282	293
Student deposits	603	607	603	607
Pensions Trust creditor	50	50	50	50
Other creditors	164	37	163	37
Accruals and deferred income	727	3,543	712	3,533
Amounts owed to trading subsidiaries	-	2	-	2
Advance fees (see note 16)	393	420	393	420
	<u>4,508</u>	<u>7,124</u>	<u>4,339</u>	<u>6,975</u>
14. CREDITORS: amounts falling due after more than one year	Group		Charity	
	2023 £ '000	2022 £ '000	2023 £ '000	2022 £ '000
Students' deposits	4,071	3,692	4,071	3,692
Advance fees (see note 16)	402	580	402	580
Bank loan (see note 15)	14,250	10,704	14,250	10,704
Pensions Trust Creditor	25	70	25	70
	<u>18,748</u>	<u>15,046</u>	<u>18,748</u>	<u>15,046</u>
15. BANK LOAN				
On 28 March 2019 the School entered into a Facility Agreement with HSBC relating to a Revolving Loan Facility of up to £15m which converted to a Term Loan Facility. A hedging instrument was put in place in the form of an Interest Rate Swap. The loan interest is a floating rate but is fixed at 2.37% until 30 April 2029 through the swap which at 31 July 2023 represented 50% of the loan drawdown value.				
			2023 £ '000	2022 £ '000
After 5 years			11,850	8,939
Within 2 to 5 years			1,800	1,324
Within 1 to 2 years			600	441
			<u>14,250</u>	<u>10,704</u>
Within 1 year			600	331
			<u>14,850</u>	<u>11,035</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (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:

	2023	2022
	£ '000	£ '000
After 5 years	-	49
Within 2 to 5 years	193	271
Within 1 to 2 years	209	260
	<u>402</u>	<u>580</u>
Within 1 year	393	420
	<u>795</u>	<u>1,000</u>

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

Balance at 1 August 2022	1,000
New contracts	334
	<u>1,334</u>
Amounts utilised in payment of fees to the School:	475
	<u>(475)</u>
Capital repaid	(64)
	<u>795</u>
Balance at 31 July 2023	<u><u>795</u></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)	-	-	152	-	152
- Designated (Clarke Will)	-	3,206	-	-	3,206
- General	63,881	1,585	864	(18,748)	47,582
Restricted funds	-	1,828	3,887	-	5,715
	<u>63,881</u>	<u>6,619</u>	<u>4,903</u>	<u>(18,748)</u>	<u>56,655</u>
Charity funds					
Subsidiary's reserves	78	-	(37)	-	41
	<u>63,959</u>	<u>6,619</u>	<u>4,866</u>	<u>(18,748)</u>	<u>56,696</u>
Group funds					

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (continued)

**17. ALLOCATION OF THE GROUP'S NET ASSETS
EXCLUDING SHARE CAPITAL – 2022**

	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)	-	3,182	-	-	3,182
- General	64,250	1,572	(4,230)	(15,046)	46,546
Restricted funds	-	1,842	3,330	-	5,172
Charity funds	64,250	6,596	(749)	(15,046)	55,051
Subsidiary's reserves	82	-	24	-	106
Group funds	64,332	6,596	(725)	(15,046)	55,157

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 18 and are held for the purpose of providing bursaries, scholarships and building work.

18. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2022 £ '000	Income £ '000	Investment Income £ '000	Expenditure £ '000	Investment Gains/(Losses) and Transfers £ '000	Balance at 31 July 2023 £ '000
Restricted Funds:						
Restricted Income funds	820	-	-	(46)	3	777
Seniors Bursary Fund	679	2	-	(14)	8	675
Trust Scholarships	836	-	-	(4)	10	842
Sacha and Susannah Stephens' Bursary	83	-	-	-	1	84
Founders Memorial Scholarship Fund	33	-	-	-	-	33
Founders Memorial Event Fund	23	-	-	-	-	23
Hunt Memorial Concert Fund	39	-	-	-	(27)	12
Trust Award	27	6	-	(9)	-	24
Heart of Benenden	2,434	800	-	(36)	(187)	3,011
Founders Scholarship	198	115	-	(79)	-	234
	<u>5,172</u>	<u>923</u>	<u>-</u>	<u>(188)</u>	<u>(192)</u>	<u>5,715</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (continued)

2022 COMPARATIVE 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 Founders Scholarship	2,214	475	-	-	(255)	2,434
	170	58	-	(30)	-	198
	<u>4,998</u>	<u>582</u>	<u>-</u>	<u>(110)</u>	<u>(298)</u>	<u>5,172</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 2022 £ '000	Income £ '000	Investment Income £ '000	Expenditure £ '000	Other Gains/(Losses) And Transfers £ '000	Balance at 31 July 2023 £ '000
Designated funds:						
Advance fee payments	151	-	1	-	-	152
Clarke Will	3,182	-	-	(16)	40	3,206
General fund Reserves	46,546	23,901	1	(23,516)	650	47,582
	<u>49,879</u>	<u>23,901</u>	<u>2</u>	<u>(23,532)</u>	<u>690</u>	<u>50,940</u>
Charity Non-charitable trading funds	106	380	-	(392)	(53)	41
	<u>49,985</u>	<u>24,281</u>	<u>2</u>	<u>(23,924)</u>	<u>637</u>	<u>50,981</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (continued)

2022 COMPARATIVE 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	151	-	-	-	-	151
payments						
Clarke Will	3,475	-	-	(15)	(278)	3,182
General fund	44,563	21,763	569	(21,051)	702	46,546
Reserves						
Charity	48,189	21,763	569	(21,066)	424	49,879
Non-charitable trading funds	315	379		(331)	(257)	106
Group	48,504	22,142	569	(21,397)	167	49,985

20. SHARE CAPITAL

Authorised

10 Ordinary "B" Shares of £1 each

	2023 £	2022 £
10 Ordinary "B" Shares of £1 each	14	14

Allotted, Issued and Fully Paid

10 Ordinary "B" Shares of £1 each

10 Ordinary "B" Shares of £1 each	14	14
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21. FINANCIAL AND CAPITAL COMMITMENTS

	Other	
	2023 £ '000	2022 £ '000

Operating leases that are subject to future minimum lease commitments are as follows:

Within one year	60	51
In the second to fifth years	75	11
In more than five years	-	-

The capital commitment for the School Hall and Music School at 31 July 2023 was £0.3m (2022: £2.9m). Further capital commitments relating to Lifts and Boarding Accommodation upgrades at 31 July 2023 were £0.2m (2022: nil) and £0.1m (2022: £0.7m) respectively.

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 2023 the company's turnover included £42,000 (2022: £33,000) from supplies to Benenden School (Kent) Limited. LASS Ltd also made a donation of £28,000 under gift aid to the charitable company. At the year-end, a balance of £NIL was owed to LASS Ltd by Benenden School (Kent) Limited (2022: £2,000 was owed to LASS Ltd by Benenden School (Kent) Limited).

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 £120,000 (2022: £109,000) were incurred by BIL from the school.

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 (2022: Nil). During the year, one (2022: three) Governing Council member had children at the School. No Governing Council member received remuneration (2022: 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 (2022: £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 £1.1m (2022: £1.2m) and at the year-end £128,000 (2022: £146,000) 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 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%

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. There are 638 non associated 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 2022 this liability would have been £642k (2021: £1.167m). There is no plan to leave the scheme, so this contingent liability has not been provided for in the accounts. However, the School has

BENENDEN SCHOOL (KENT) LIMITED
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FOR THE YEAR ENDED 31 JULY 2023 (continued)

TPT Retirement Solutions' Growth Plan (continued)

currently earmarked an amount of £1.6m 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 £75,000 (2022: £120,000) has been recognised in relation to this.

Both Schemes permit staff to make additional voluntary contributions.

	2023	2022
	£ '000	£ '000
Total contributions incurred during the year were:		
Teaching staff	1,128	1,164
Support staff	553	547
	<u>1,681</u>	<u>1,711</u>

BENENDEN SCHOOL (KENT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (continued)

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES – 2022

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

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, 13, 16
Mr P A J C Marshall	5, 14, 20
Mr D McBeath	13, 18
Mrs M McDonald (resigned 1 July 2023)	12, 22
Mrs A McNab*~	2, 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 (resigned 1 July 2023)	13, 19
Prof H L Taylor (appointed 1 July 2023)	13, 20
Mrs C L Thomas	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 13 March 2024 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 (until 28 February 2023)
	Mr K A Johnson
	Mr S Miller
	Mr I G Read
	Ms H J R Semple
	Mrs L A Tyler (until 31 March 2023)
	Mrs A M Wakefield

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

Advisers

Bankers

Coutts & Co.
440 Strand
London WC2R 0QS

HSBC UK Bank Plc
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