

REGISTERED COMPANY NUMBER: 00624273 (England and Wales)
REGISTERED CHARITY NUMBER: 307937

**GOVERNORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020
FOR
BETHANY SCHOOL**

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FOR THE YEAR ENDED 31 AUGUST 2020**

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BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their report and accounts for the period ended 31 August 2020. The Governors confirm that the annual report and financial statements comply with current statutory requirements, the requirements of the company's governing document and the provisions of The Charities SORP (FRS102) and contains a directors' report as required by company law.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00624273 (England and Wales)

Registered Charity number

307937

Registered office

Curtisden Green
Goudhurst
CRANBROOK
Kent
TN17 1LB

The Governors, who are also the Directors for the purpose of company law, who served during the year (or who have been appointed following the year-end) were:

R J Stubbs BSocSc CMRS	- Chairman
W S Kent	- Vice Chairman
J M Fenn LLB	- Vice Chairman
K Buckland BA FCA	- Treasurer
D R Boniface MA MSc	
R C Clark HE: BA DipHE MA (Ed)	
Dr J R W Hangartner BSc (Hons) MB BS MBA	
N P Kimber BSc (Hons) FCA	
R Pilbeam	
A Cunningham BEng (Hons) CEng MIET	
M A Clark	- resigned 31/10/19
P B Askew	
L Roberts BEd (Hons) NPQH NLE FCCT	
K Sunnucks	- resigned 18/10/19
E Connell BA LLB	
G Power	- appointed 21/03/20
M Harman BSc Hons MCIQB	- appointed 21/03/20
P Mackinnon	- appointed 21/11/20

Headmaster

F Healy BSc HDipEd NPQH

Bursar and Company Secretary

S Harris

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

REFERENCE AND ADMINISTRATIVE DETAILS – continued

Auditors

TC Group
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

Accountants

Wells Associates
Statutory Auditors
10 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1NU

Bankers

National Westminster Bank
Longford House
19 Mount Ephraim
Tunbridge Wells TN4 8AE

Solicitors

Pengelly & Rylands
39-41 High Street
Tenterden
Kent
TN30 6BJ

Investment Advisors

Rathbone Investment Management Limited
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

Governing document

The company is governed by its Memorandum and Articles of Association dated 26 March 1959 which were amended by Special Resolution dated 6 March 2010.

STRUCTURE, GOVERNANCE AND MANAGEMENT

None of the Governors has any beneficial interest in the company. All the Governors are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Governors meet once per term. The main Sub Committee of the Governors is the Executive Committee, which was formed following an AGBIS review of Governance and replaces the Management Committee. The executive committee meets once a month to discuss the day to day matters concerned with the running of the School. Major items are passed to the Main Board for discussion, with the Executive Committee's recommendations. The Chairman, W Kent (Vice Chair) J Fenn (Vice Chair), R Clark, and K Buckland sit on this Committee with the Headmaster and Bursar in attendance.

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT– continued

The other permanent Sub Committees are the Finance Committee, which is chaired by the Treasurer, with N Kimber, P Askew, W Kent and J Fenn as members. Other permanent Sub Committees include the Marketing and Development Committee, which has W Kent, R Clark, F Healy, L Norman and S Martorell as members, the Education Committee, which is chaired by R Clark, with L Roberts, A Cunningham, S Bonnel, M Harman, G Power, F Healy, E Hill and A Sturrock as members and the Estates Committee, which is chaired by J Fenn, with W Kent, R Pilbeam, M Harman, A Cunningham, P MacKinnon, S Harris, D Sear and D Smith as members. The following School Committees, which have Governor representation met during the year:

ICT Committee
H & S Committee

The Day to Day running of the School is delegated to the Senior Management Team, the members of which are: Headmaster, Deputy Head (Pastoral), Deputy Head (Academic), Bursar and Human Resources Manager. The Headmaster and Bursar attend Governors and Executive Committee meetings. The Headmaster, Bursar and to the extent required, Deputy Heads and the Human Resources Manager attend Board meetings.

RECRUITMENT, INDUCTION AND TRAINING OF GOVERNORS.

Appointment and re-appointment of Governors

The Articles of Association allow for there to be between seven and twenty appointed Governors. There are currently sixteen on the Board. Governors are appointed by the existing Board members in the first instance and they are re-appointed after 3 years and 3 yearly thereafter.

Training

During the year, some Governors attended a seminar by AGBIS on Regulatory Requirements. All other Governors were made aware of briefing documents provided by AGBIS, ISBA and other recognised bodies.

The cost of Governors' courses to the School during the year was £2,134.

KEY MANAGEMENT PAY POLICY

In line with pay for all staff, the Key Management pay is determined by the Governors. In deciding the level of remuneration, the Committee take into account, amongst other things, the current market demand for teachers, the financial strength of the School, the economic outlook, the performance of the relevant individuals, and the 'going rate for remuneration' of senior management in the local independent school market. Details of key management personnel pay are shown in note 10 of the accounts.

EMPLOYMENT POLICY

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees has continued at all levels with the aim of taking their views into account when decisions are made that are likely to affect their interests. A full staff survey of their views has been conducted recently and points raised are being actioned.

CHARITABLE OBJECTS

The objects of the School as set out in the Articles of Association are to advance the education of boys and girls by the provision of a school or schools based on a strong Christian foundation and tolerant of other faiths. In setting the School's objectives the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

AIMS AND OBJECTIVES

The School provides education to boys and girls, committed to providing young people with an education for life in a changing world.

It is our policy for the School to help pupils achieve their highest academic potential as well as providing an extra-curricular programme which aims to develop life-long interests and to help build self-confidence and a desire to contribute to the community.

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

AIMS AND OBJECTIVES – continued

The School aims to play its part in the wider community including making facilities available to selected outside bodies.

The School aims to give means-tested financial assistance to the parents of some pupils who might otherwise find the full fee a limiting factor to sending their sons and daughters to the School. In conjunction with this aim, the School continues to develop its Endowment Fund.

The School aims to build relationships with educational establishments in the Maintained Sector.

Whilst the physical development of the School is regulated by the planning authorities, the School is conscious of its impact on the local community and is therefore seeking ways to communicate more effectively with them.

PRINCIPAL ACTIVITIES OF THE YEAR

As already stated, the School advances the education of boys and girls by the provision of a school based upon a strong Christian foundation and tolerant of other faiths.

ACHIEVEMENTS AND PERFORMANCE

In the 2019 school year, there were 333 pupils in the School (2018 – 321) of whom 104 were boarders (2018 – 113). There were 78 pupils in the Sixth. Boarding pupils are both British based and from a variety of overseas countries ensuring that the school maintained a broad international base.

The numbers sitting Year 7 entrance examinations were once again particularly pleasing, which reflected well on our marketing initiatives as well as our standing within the local and semi-local communities.

The proportion of girls remained at circa 33% of the total pupil population.

The examination results were, once again, very pleasing especially in light of the lockdown and examination grading confusions. An enormous amount of effort was put to awarding Centre Assessed grades in the summer term to ensure that all grades awarded were a true and accurate reflection of the pupils' abilities and standings in the various subjects. The A level results were once again particularly pleasing and Bethany has been recognised as being in the top 0.5% of school nationally with regard to the progress that its pupils make at A Level. Given our broad ability range, this is further proof of the exceptional work done by the pupils and staff. Our most creative and artistic pupils continued to be appropriately challenged and once again were accepted into first class tertiary courses at prestigious universities.

Exhibitions of Art, Photography, Textile and Design Technology continued to be hugely admired by all attendees.

Our GCSE results built upon the success of the previous year and for the second year running our top performing pupil achieved the grade 9 in all subjects. English retained its 100% pass rate, and not to be outdone, Mathematics mirrored this achievement. Bethany's broad curriculum, which allows pupils to concentrate on their strengths, was also evident in this exceptional set of results. A third of the pupils who studied Design Technology achieved grade 9, half the pupils who sat English Literature obtained the top two grades, while three quarters of the Artists secured grades 7 or higher. When one considers our broad ability range these results were simply outstanding and once again reflect exceedingly well on the hard work and diligence of our pupils and staff.

The teaching staff continued to take a proactive lead in their own professional development and best practice was shared in a "teachmeet" event at the end of the autumn term. Bethany has always taken a lead role in integrating ICT into teaching and learning and this proved particularly beneficial during lockdown. The teachers and pupils were fully conversant with Microsoft Teams and the transfer to face to face teaching was seamless making Bethany the envy of many a local school (both state and private).

Furthermore Bethany hosted a Society of Heads Computer Science Day in December where Computer Science teachers from all over the country came for a one day seminar to learn more about GCSE Computer Science and to share best practice. Bethany received wholehearted praise for the excellent delivery of this event.

The project based learning approach continued apace and is now a regular feature of the Years 7-9 curriculum. This focuses on skills rather than knowledge so that pupils are more aware of why they are learning the knowledge as they are then applying it in real time situations.

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENTS AND PERFORMANCE – continued

There are now 8 qualified coaching staff and five more are in the process of achieving this qualification. Such staff then coach selected colleagues to self improve and this facility is also offered to pupils particularly those in examination year groups.

The range of A level and GCSE subjects is intentionally kept broad so that the School can best meet the needs and interests of its pupils.

The STEM (Science, Technology, Engineering and Maths) initiatives continues apace. Once again Bethany had projects selected for the national exhibition in Birmingham which due to Covid-19 was unfortunately cancelled.

Our "green fingered" Gardeners were once again victorious in the RHS Wisley competition.

Up to lockdown the enrichment curriculum remained very popular and reinforced the education and opportunities offered to the pupils. On most afternoons, between 4 pm and 5 pm there are approximately 20 activities to choose. These are continually refined to reflect pupils' interests and attributes and provide better pupil outcomes.

We provide regular "master classes" for nine and ten-year-old pupils in all areas of the curriculum and this year we had classes on Climbing Wall, DT, English, High Ropes and Music.

Overseas trips included a rugby tour to Malta, an Art trip to Italy as well as a skiing expedition (also to Italy).

The School Production this year was Hairspray which was widely praised as being the most professional ever and which raised the performance bar further.

Music and the Performing Arts remain buoyant as part of our enrichment offering. We had our second ever equinox festival in September which was in its entirety organised by the pupils. A sizeable and growing proportion of pupils continue to learn an instrument and there are an increasingly larger number of pupils also studying LAMDA. Dance, Drama and Music pieces now form part of our increasingly broad entertainment shows performed half termly and almost all weekly assemblies continue to contain a Performing Arts item.

The Annual Festival of Scholars took place at the end of February. The high standard just keeps increasing year on year and the talent on display is only surpassed by the humility of the scholars.

The ever popular Competitive House System continued to foster friendly yet keenly contested competitions. The Tug of War in September remains a high point as does the increasingly melodic House Shout in December as well as the Bethany Talent Show in June.

The Duke of Edinburgh's Award Scheme remains very popular and continues to be well supported by staff and is therefore undertaken by a large number of pupils. The Completions rates of Bronze, Silver and Gold Awards remain the highest in the South East of England. Contributions towards the volunteering section have remained focused on site and in the local community and have included environmental initiatives such as recycling, litter picking and youth work as well as other enriching activities and lessons for younger pupils. Some notable exceptions to the on-site volunteering were those students who worked in charity shops, animal shelters and those who continually give local acts of kindness on a regular (usually weekly) basis.

The Christian life of the School enthused the pupils appropriately. The ordained chaplain proactively led the spiritual life of the School. Until lockdown there was a variety of teaching staff, speakers and outside guests leading Chapel services and the competitive houses' chapel services remained very popular. A "prayer space" was once again created for a week and this was used by the pupils to pray, reflect, engage and think about life and each other.

The annual careers fair was held for the sixth form pupils in October and was again particularly successful. The Bethany Network, composed of local businesses, present and past parents, present and former pupils continued to help the School community in a constructive and altruistic way.

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW

The School principally raises its funds from fees and related activities and has not engaged in appeals for many years. Up until now developments have either been financed from surpluses after ordinary expenditure, or by borrowing under strict rules to ensure that even in the face of a significant national financial crisis leading to a downturn in pupil numbers, the borrowing could be repaid in less than 10 years.

The School generated total income of £6.844 million during the year (2019: £6.917 million), of which £6.331 million was generated from school fees (2019: £6.518 million). Expenditure totalled £6.674 million (2019: £6.622 million) which, including gains on investments of £32k (2019: £10k), gave a surplus for the year of £202k (2019: £304k). Before depreciation the surplus was £608k (2019: £675k). This was used to reduce borrowing resulting from previous investment in improved resources.

Total funds at 31 August 2020 were £15.480 million (2019: £15.277 million), of which £2.617 million were held in the endowment fund (2019: £2.623 million).

Reserves Policy

The School holds total unrestricted reserves of £12.525 million (2019: £12.504 million), which include tangible fixed assets of £12.886 million (2019: £12.995 million) and long-term bank loans of £0.938 million (2019: £1.099 million). Fixed assets include residential properties and, should it be necessary to call upon these, the houses could be sold individually without detriment to the School's operations.

The Governors are set to review the school's reserves policy during the current academic year.

Investment Powers, Policy and Performance.

The Articles of Association give the School wide investment powers. The School's investments in quoted shares form part of the Endowment Fund. Rathbones Investment Management have been appointed to manage this investment portfolio for the School.

Note 15 provides detail of investment movements during the year. Investment performance was in line with the School's objectives.

Bursary Policy

This year the School awarded scholarships, bursaries and discounts of £951k (2019: £889k) which represented 12.7% of gross fee income (2019: 12%). The School also offered £181k in relation to Covid-19 related discounts. The Governors' policy, in line with that of most other independent schools, is to award Scholarships based on ability and bursaries based on need.

All Bursaries are means tested on application by an external assessment company.

Asset cover for funds

Note 26 sets out an analysis of these assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the School's obligations on a fund by fund basis.

Risk Management

The Governors are responsible for the management of the risks faced by the School. Risks are identified, assessed and controls established throughout the year. The Board reviews the full Risk Assessment annually in March, and Risk is a standing item on the agenda for other Board Meetings and all Executive Committee meetings.

The Governors consider the major potential risks to the School to be:

- A challenging economic environment adversely affecting pupil numbers and fee levels.
- The impact of the Covid-19 Pandemic.
- Inflationary pressures on certain costs.
- Competition from both independent and state schools for pupils
- Ensuring Child Protection and Inspection in an increasingly regulated environment.

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW– continued

The key controls used by the School to mitigate risks include:

- Formal agenda for Committee and Board activities.
- Detailed Terms of reference for all Committees
- Comprehensive strategic planning, budgeting and management accounting.
- Established organisational structure and lines of reporting.
- Formal written policies
- Clear authorisation and approval levels.
- Safer recruitment as required by law for the protection of the vulnerable.
- Staff training, Child Protection and safeguarding.

Through the risk management processes established by the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that the systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

COMMUNITY LINKS AND PUBLIC BENEFIT

The School continued to promote and further develop links with the local community. A Christmas Carol event for neighbours was greatly appreciated. The Duke of Edinburgh's Award Scheme assisted the local community with its service section. The School held various fund raising activities in support of chosen charities, which have included Breast Cancer, British Legion, Cancer Research UK, Children of Gambia Services, Children's Trust, Hospice in the Weald, Kent Air Ambulance, Nourish Community Foodbank, Prostate Cancer, Rape Crisis Centre, Read for Good, Salvation Army, Save the Children, Sports Relief, Water Aid, as well as a range of other good causes.

As soon as the School closed for Lockdown, it donated all the materials that could be used as PPE equipment such as plastic gloves, goggles, lab coats to local Covid assistance organisations.

Until Lockdown in March, local primary schools and neighbours used the swimming pool to either learn how to swim or to participate in leisure swimming. This helps the primary schools achieve the recommended government minimum in physical activity for all Key stage 2 pupils – they are collected and returned using the School's mini-buses.

Local schools are also invited to attend the dress rehearsals of our School drama productions in February and June.

The School premises were made available to local organisations who wished to take advantage of them, including church groups and the Royal British Legion.

The range of organisations which would normally used the School's facilities was reduced this year due to Lockdown but included.

- Staplehurst Monarchs Football Club (evenings until lockdown).
- Goudhurst Junior Football Club (evenings until lockdown).
- Goudhurst Tennis Club (in the Easter holidays)

The School offered 12.7% of fees income in Scholarships, Bursaries and Fees subsidies.

57	Pupils received Means Tested Bursaries of which 1 was for 70% of fees, 9 were for 50% of fees, 15 were 30% - 49% and 32 were under 30%
37	Pupils received a Sibling Discount (10%)
94	Pupils received Scholarships – Academic, Art, Dance, Drama, Music, Drama Sport and Technology of 10 – 40%
2	Pupils received Services or Clergy bursary (10%).

In addition the School set up a Bethany Parent Hardship Fund in March 2020 and set aside £100,000 for it. Parents were then given the opportunity to donate to it and 40% of them did. The purpose of this fund is to provide additional fee assistance to parents who were adversely affected by Covid-19.

One teacher and two Governors act as Governors of local primary schools.

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

DEVELOPMENTS AND FUTURE PLANS

As part of the preparations for the safe reopening of the School an extensive programme was undertaken during the summer months. These included installing one way systems, 21 new handwashing facilities around the campus, hand sanitising stations in every room, dedicated path ways for entries and exits from various classrooms and well as the hiring of additional toilet facilities. Staff and pupils were also temperature checked on arrival and they had to wear face coverings indoors including shared offices and classrooms.

In addition to the above the following maintenance was carried out to the existing buildings.

- The maintenance rest room was converted into a centralised laundry
- A total of 8 en-suite bathrooms were refurbished in the Orchard boarding house
- A new kitchen was fitted in the Pengelly Housemaster's flat
- Windows were replaced on the rear of the Orchard Boarding House
- Windows were replaced in PE 2 classroom
- Windows and doors were replaced in the sports hall
- The lower floor of the admin block was decorated and offices moved around
- Several staff accommodation units were redecorated and refurbished
- Boilers in the Orchard were upgraded
- New fire alarm systems were fitted to two buildings
- Additional electronic locks were fitted throughout the site
- The pathway to the assembly hall was replaced
- White lines were marked on the upper car park for safety
- Two fire escapes were brought up to current Regulations
- Fire escape routes were installed at the rear of Haywards
- A new floor was laid in the main kitchen
- The school site was prepared to be Covid-19 friendly in readiness for September return

The next major project is the construction of a Performing Arts Centre, which will incorporate the Music and Drama Departments. A successful pre planning application has been submitted and returned and a formal planning application is being created.

REPORTABLE INCIDENTS

During the year there have been no incidents which required notification to the Charity Commission.

STATEMENT OF GOVERNORS RESPONSIBILITIES

The Governors (who are also the directors of Bethany School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BETHANY SCHOOL

**GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2020**

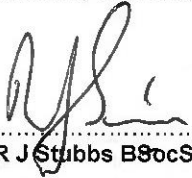
In so far as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Governors 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 that TC Group be auditors for 2020/21 was put to the Trustees at the AGM and was agreed.

The Governors' Report, incorporating a strategic report, was approved by the Board of Governors, as the company directors, on 27.3.21..... And signed on the board's behalf by:



.....
R J Stubbs BScSc CMRS - Chairman

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BETHANY SCHOOL

Opinion

We have audited the financial statements of Bethany School (the 'charitable company') for the year ended 31 August 2020. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The governors are responsible for the other information. The other information comprises the information included in the governors' report, other than the financial statements and our auditor's report thereon. 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 governors' report (incorporating the strategic report and the governors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the governors' report (including the strategic report) has been prepared in accordance with applicable legal requirement

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BETHANY SCHOOL - continued

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report (including the strategic report).

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report.

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors 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 governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BETHANY SCHOOL - continued**

Use of this 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.

TC Group

Mark Cummins FCCA (Senior Statutory Auditor)

for and on behalf of

TC Group

Statutory Auditor

Date: 14 April 2021
Office: Steyning

BETHANY SCHOOL

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted fund £	Designated fund £	Endowment funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	4,464	87,778	-	92,242	19,899
Charitable activities	3	6,472,104	-	(39,819)	6,432,285	6,659,466
Other trading activities	4	284,466	-	-	284,466	183,144
Investment income	5	7,285	-	26,348	33,633	54,001
Other income	6	1,500	-	-	1,500	-
Total		6,769,819	87,778	(13,471)	6,844,126	6,916,510
EXPENDITURE ON						
Raising funds	7	5,122	-	5,088	10,210	14,192
Charitable activities	7	6,644,408	-	19,623	6,664,031	6,607,855
Total		6,649,530	-	24,711	6,674,241	6,622,047
Net realised gains/(losses) on investments	15	-	-	35,381	35,381	(7,599)
Net unrealised gains/(losses) on investments	15	-	-	(2,940)	(2,940)	17,267
NET INCOME/(EXPENDITURE)		120,289	87,778	(5,741)	202,326	304,131
Transfers between funds	24	(100,000)	100,000	-	-	-
Net movement in funds		20,289	187,778	(5,741)	202,326	304,131
RECONCILIATION OF FUNDS						
Total funds brought forward		12,504,608	150,000	2,622,906	15,277,514	14,973,383
TOTAL FUNDS CARRIED FORWARD		12,524,897	337,778	2,617,165	15,479,840	15,277,514

CONTINUING OPERATIONS

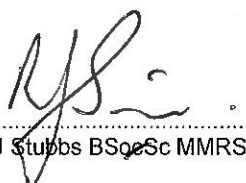
All income and gains for the period are recognised above. All of the company's activities are classified as continuing. The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BETHANY SCHOOL

**BALANCE SHEET
31 AUGUST 2020**

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	12,886,035	12,955,332
Investments	15	1,210,259	1,085,794
Investment property	14	<u>600,000</u>	<u>600,000</u>
		14,696,294	14,641,126
CURRENT ASSETS			
Stocks	16	11,059	30,490
Debtors	17	217,814	221,961
Cash at bank	18	<u>3,190,838</u>	<u>3,405,344</u>
		3,419,711	3,657,795
CREDITORS			
Amounts falling due within one year	19	<u>(1,697,789)</u>	<u>(1,922,853)</u>
		<u>1,721,921</u>	<u>1,734,942</u>
NET CURRENT ASSETS			
		16,418,216	16,376,068
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	21	<u>(938,376)</u>	<u>(1,098,554)</u>
		<u>15,479,840</u>	<u>15,277,514</u>
NET ASSETS			
FUNDS			
Unrestricted funds		12,524,897	12,504,608
Designated funds	24	337,778	150,000
Endowment funds	25	<u>2,617,165</u>	<u>2,622,906</u>
		15,479,840	15,277,514

The financial statements were approved by the Board of Governors' and authorised for issue on 27-3-21 and were signed on its behalf by:


R J Stubbs BSc Sc MMRS - Governor

BETHANY SCHOOL**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	376,957	448,668
Net cash provided by operating activities		<u>376,957</u>	<u>448,668</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	13	(336,212)	(127,159)
Purchase of fixed asset investments	15	(1,337,404)	(974,622)
Sale of tangible fixed assets		1,500	-
Sale of fixed asset investments	15	1,245,380	999,794
Interest received		7,285	2,998
Dividends received		<u>26,348</u>	<u>32,303</u>
Net cash used in investing activities		<u>(393,103)</u>	<u>(66,686)</u>
Cash flows from financing activities			
Income attributable to endowment	25	(13,471)	50,027
Expenditure attributable to endowment	25	(24,711)	(25,652)
Repayment of long term bank loan		<u>(160,178)</u>	<u>(180,000)</u>
Net cash (used in)/provided by financing activities		<u>(198,360)</u>	<u>(155,625)</u>
Change in cash and cash equivalents in the reporting period		<u>(214,506)</u>	<u>226,357</u>
Cash and cash equivalents at the beginning of the reporting period		<u>3,405,344</u>	<u>3,178,987</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,190,838</u></u>	<u><u>3,405,344</u></u>

The notes form part of these financial statements

BETHANY SCHOOL

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	202,326	304,131
Adjustments for:		
Depreciation charges	405,507	371,151
Gain on investments	(32,441)	(9,668)
Profit on disposal of fixed assets	(1,500)	-
Interest received	(7,285)	(2,998)
Dividends received	(26,348)	(32,303)
Income attributable to endowment	13,471	(50,027)
Expenditure attributable to endowment	24,711	25,651
Decrease in stocks	19,431	-
Decrease/ (increase) in debtors	4,147	(70,122)
Decrease in creditors	<u>(225,066)</u>	<u>(87,147)</u>
Net cash provided by operations	<u>376,957</u>	<u>448,668</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash in hand	3,190,838	3,405,344
Total cash and cash equivalents	<u>3,190,838</u>	<u>3,405,344</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

Charity Information

Bethany School is a charitable company limited by guarantee incorporated in England (charity number 307937, company number 00624273) and operates from its registered office Curtisden Green, Goudhurst, Kent TN17 1LB.

Basis of preparing the financial statements

The financial statements of the School, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Preparation of the accounts on a going concern basis

The Governors consider that there are no material uncertainties about the School's ability to continue as a going concern.

Statement of cash flows

The School's cashflow statement reflects the presentation requirements of FRS102. In addition, the cash flow statement reconciles cash and cash equivalents whereas under previous UK GAAP the statement reconciled to cash.

Income

All income is recognised in the Statement of Financial Activities once the school has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

School fee income is accounted for on a receivable basis and consists of charges billed for the school year ended 31 August 2020, less bursaries and allowances. Fees received for education to be provided in future years are carried forward as deferred income.

Donations are accounted for once the school has entitlement to the gift, it is probable that the income will be received and the amount can be measured reliably.

Investment income is accounted for when it is receivable and the amount can be measured reliably.

There are no restrictions on the incoming resources of the endowment fund.

Expenditure and irrecoverable value added tax (VAT)

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the school to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The irrecoverable element of value added tax is included with the item of expense to which it relates.

Support costs are allocated to the cost of raising funds and charitable activities on the basis of an appropriate apportionment of resources and activities.

Governance costs have been allocated in line with administration costs and include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the School.

Donations of goods, services and facilities

Donated goods, professional services and facilities are recognised as income when the School has control over the item or has received the service, any conditions associated with the donation have been met, the receipt of the economic benefit from the use of an item by the school is probable, and that economic benefit can be measured reliably.

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES - continued

Donations of goods, services and facilities (continued)

On receipt, donated goods, professional services and facilities are recognised on the basis of the value of the gift to the School which is the amount the School would have been willing to pay to obtain the goods, services or facilities on the open market; a corresponding amount is then recognised in the expenditure in the period of receipt.

Goods donated for on-going use by the School in carrying out its day to day activities are recognised as tangible fixed assets.

Fund accounting

Unrestricted funds are general funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Designated and Endowment funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are dealt with through the Statement of Financial Activities.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated.

Assets under construction are not depreciated until they are available for use.

Land and buildings	2% - 4% on cost
Fixtures, fittings & equipment	20% on cost
Motor vehicles	20% on cost

It is the School's policy to capitalise all items of a capital nature over £5,000.

Investments

Fixed asset investments are stated at fair value. Realised and unrealised gains and losses are dealt with through the Statement of Financial Activities.

Investment property is included at fair value. Gains and losses are recognised through the Statement of Financial Activities.

Stock

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

Debtors

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

Cash at bank and in hand

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

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES - continued

Creditors and provisions

Creditors and provisions are recognised when the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments under FRS102. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Critical accounting estimates and judgements

In the application of the School's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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.

The Governors do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

Pension costs and other post retirement benefits

Most of the teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers' Pension Agency. The Teachers' Pension Scheme is a multi-employer pension scheme which is unfunded. Actuarial valuations are carried out on a notional set of investments.

The School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS102, the scheme is accounted for as if it were a defined contributions scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged to the Statement of Financial Activities in the period in which the salaries to which they relate are payable.

The School also contributes to personal pension schemes for other teachers and non-teaching staff. These schemes are defined contribution schemes. The assets of the schemes are held separately from those of the School in independently administered funds. Contributions payable for the year are charged to the Statement of Financial Activities. The School has no other liabilities under these schemes.

Employee benefits

Short term employee benefits including holiday pay are recognised in the Statement of Financial Activities in the period in which the service is rendered. Termination benefits are accounted for on an accrual basis and in accordance with FRS102.

2. DONATIONS AND LEGACIES

	Unrestricted funds	Designated funds	Endowment funds	2020 Total funds	2019 Total funds
	£	£	£	£	£
Donations	<u>4,464</u>	<u>87,778</u>	<u>-</u>	<u>92,242</u>	<u>19,899</u>
	<u>4,464</u>	<u>87,778</u>	<u>-</u>	<u>92,242</u>	<u>19,899</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

3. CHARITABLE ACTIVITIES

	Unrestricted funds £	Designated funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
School fees	7,463,217	-	-	7,463,217	7,407,147
Registration fees	12,869	-	-	12,869	14,799
Bursaries and scholarships	(910,968)	-	(39,819)	(950,787)	(888,963)
Hardship discount	(181,437)	-	-	(181,437)	-
Transport income	88,423	-	-	88,423	126,483
	<u>6,472,104</u>	<u>-</u>	<u>(39,819)</u>	<u>6,432,285</u>	<u>6,659,466</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Designated funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
Rental income	1,745	-	-	1,745	183,144
Job retention scheme grant	282,721	-	-	282,721	-
	<u>284,466</u>	<u>-</u>	<u>-</u>	<u>284,466</u>	<u>183,144</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Designated funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
Income from listed investments	-	-	26,348	26,348	32,303
Income from investment property	-	-	-	-	18,700
Interest received	7,285	-	-	7,285	2,998
	<u>7,285</u>	<u>-</u>	<u>26,348</u>	<u>33,633</u>	<u>54,001</u>

6. OTHER INCOME

	Unrestricted funds £	Designated funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
Gain on sale of fixed assets	1,500	-	-	1,500	-
	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>-</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

7. EXPENDITURE

	Staff Costs	Depreciation	Other Costs	Total 2020	Total 2019
	£	£	£	£	£
Raising funds					
Investment management fees	-	-	5,088	5,088	6,028
Fundraising costs	-	-	5,122	5,122	8,164
Total costs of raising funds	-	-	10,210	10,210	14,192
Charitable activities					
Education					
Teaching costs	2,616,901	19,623	296,787	2,933,311	2,664,972
Welfare costs	241,283	-	431,628	672,911	815,768
Premises costs	473,617	385,884	1,146,930	2,006,431	2,146,869
Support costs	526,439	-	469,486	995,925	958,386
Finance costs	-	-	24,996	24,996	1,475
Governance costs	-	-	30,457	30,457	20,385
Total charitable activities	3,858,240	405,507	2,400,284	6,664,031	6,607,855
Total expenditure	3,858,240	405,507	2,410,494	6,674,241	6,622,047

Governance costs include payments of £14,580 (2019: £12,000) for audit fees and payments of £7,348 (2019: £5,910) for other non-audit services.

Net income is stated after charging £46,050 (2019: £23,458) to operating lease rentals included within premises costs, £11,516 (2019: £11,516) to operating lease rentals included within support costs and interest charged on bank loans of £23,306 (2019: £180) included within finance costs.

8. SUPPORT COSTS

	2020	2019
	£	£
Support staff costs	526,439	535,914
Marketing costs	138,951	80,804
Computer costs	8,762	25,538
Post & stationery	41,492	49,308
Staff welfare & other staff costs	53,440	30,466
Staff recruitment	18,693	40,285
Telephone	8,321	4,954
Overseas recruitment & commission	84,485	91,924
Professional fees	56,833	28,043
Travel & subsistence	5,619	4,174
Subscriptions	18,574	14,527
Miscellaneous costs	34,316	52,449
TOTAL	995,925	958,386

BETHANY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED 31 AUGUST 2020

9. GOVERNORS' REMUNERATION AND BENEFITS

None of the Governors (or any persons connected with them) received any remuneration or other benefits from an employment with the school during the current or previous year.

During the year, one of the Governors was reimbursed a total of £55 for travelling expenses (2019: two were reimbursed a total of £830 for travelling expenses).

No amounts were due to or from Governors at the balance sheet date (2019: £nil).

10. STAFF COSTS

	2020 £	2019 £
Wages and salaries	3,033,206	2,957,249
Social security costs	303,371	288,137
Other pension costs	<u>521,663</u>	<u>384,598</u>
	<u><u>3,858,240</u></u>	<u><u>3,629,984</u></u>

The average monthly number of employees during the year was as follows:

	2020	2019
Teaching	54	55
Administration	25	19
Welfare and premises	<u>36</u>	<u>38</u>
	<u><u>115</u></u>	<u><u>112</u></u>

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

	2020	2019
£60,000 - £70,000	2	1
£80,001 - £90,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>
	<u><u>3</u></u>	<u><u>2</u></u>

Contributions totalling £55,775 (2019: £44,020) were made during the year to money purchase pension schemes on behalf of employees whose employee benefits exceed £60,000.

The key management personnel of the school are the Headmaster, the bursar, the HR manager, the deputy Headmaster, the deputy head academic and the pastoral deputy. The total employee benefits including pension contributions for the key management personnel were £472,251 (2019: £483,585).

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Designated fund £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	19,899	-	-	19,899
Charitable activities	6,641,742	-	17,724	6,659,466
Other trading activities	183,144	-	-	183,144
Investment income	21,698	-	32,303	54,001
Total Income	6,866,483	-	50,027	6,916,510
EXPENDITURE ON				
Raising funds	8,164	-	6,028	14,192
Charitable activities	6,588,232	-	19,623	6,607,855
Total Expenditure	6,596,396	-	25,651	6,622,047
Net realised gains/(losses) on investments	-	-	(7,599)	(7,599)
Net unrealised gains/(losses) on investments	-	-	17,267	17,267
NET INCOME	270,087	-	34,044	304,131
RECONCILIATION OF FUNDS				
Total funds brought forward	12,234,521	150,000	2,588,862	14,973,383
TOTAL FUNDS CARRIED FORWARD	12,504,608	150,000	2,622,906	15,277,514

12. TAXATION

The school is a Registered Charity (number 307937). All activities are undertaken to fulfil the primary objectives of the charity and are therefore exempt under Part 11 of the Corporation Tax Act 2010.

13. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Assets under construction £	Totals £
COST					
At 1 September 2019	16,478,070	362,469	37,158	-	16,877,697
Additions	30,841	227,787	35,650	41,934	336,212
Disposals	-	-	(11,345)	-	(11,345)
At 31 August 2020	<u>16,508,911</u>	<u>590,256</u>	<u>61,463</u>	<u>41,934</u>	<u>17,202,564</u>
DEPRECIATION					
At 1 September 2019	3,608,671	280,712	32,982	-	3,922,365
Charge for year	340,396	56,363	8,750	-	405,509
Eliminated on disposal	-	-	(11,345)	-	(11,345)
At 31 August 2020	<u>3,949,067</u>	<u>337,075</u>	<u>30,387</u>	<u>-</u>	<u>4,316,529</u>
NET BOOK VALUE					
At 31 August 2020	<u>12,559,844</u>	<u>253,181</u>	<u>31,076</u>	<u>41,934</u>	<u>12,886,035</u>
At 31 August 2019	<u>12,869,399</u>	<u>81,757</u>	<u>4,176</u>	<u>-</u>	<u>12,955,332</u>

Included within land and buildings is freehold land of £1,591,176 (2019: £1,591,176) which is not depreciated.

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

14. INVESTMENT PROPERTY

Fair value at 1 September 2019	£ 600,000
Fair value at 31 August 2020	<u>600,000</u>

15. FIXED ASSET INVESTMENTS

	Managed investments £
MARKET VALUE	
At 1 September 2019	1,085,794
Acquisitions at cost	1,337,404
Disposals	(1,245,380)
Change in value during the year	<u>32,441</u>
At 31 August 2020	<u>1,210,259</u>
NET BOOK VALUE	
At 31 August 2020	<u>1,210,259</u>
At 31 August 2019	<u>1,085,794</u>
Historical cost:	
At 31 August 2020	<u>1,210,224</u>
At 31 August 2019	<u>961,445</u>

The gain on investments shown within the Statement of Financial Activities of £32,441 (2019: £9,668) comprises a realised gain of £35,381 (2019: loss of £7,599) on investments sold during the year, and an unrealised loss of £2,940 (2019: gain of £17,267) on investments held at the year end.

As at 31 August 2020, the following investments represented over 5% of the portfolio market value:

Rathbone Unit Trust Mgmt – Core Investment Fund for Charities	1,210,259 – 100%
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16. STOCKS

	2020 £	2019 £
Stocks	<u>11,059</u>	<u>30,490</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	132,494	132,483
Accrued income	79,920	-
Prepayments	<u>5,400</u>	<u>89,478</u>
	<u>217,814</u>	<u>221,961</u>

18. CASH AT BANK

	General fund	Designated fund	Endowment fund
	£	£	£
Operational cash	2,272,710	337,778	536,651
Managed investment cash	-	-	<u>6,720</u>
Total	<u>2,272,710</u>	<u>337,778</u>	<u>543,371</u>
		2020	2019
	Bursary fund	Total funds	Total funds
	£	£	£
Operational cash	36,979	3,184,118	3,318,988
Managed investment cash	-	<u>6,720</u>	<u>86,356</u>
Total	<u>36,979</u>	<u>3,190,838</u>	<u>3,405,344</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 21)	180,000	180,000
Trade creditors	105,121	155,247
Social security and other taxes	76,849	74,292
Fees in advance	655,235	994,607
Accruals and other creditors	<u>680,584</u>	<u>518,707</u>
	<u>1,697,789</u>	<u>1,922,853</u>

Fees in advance represent fees due for the Michaelmas term 2020 and are analysed below in note 20.

20. FEES IN ADVANCE

	£
Balance at 1 September 2019	994,607
Fees released during the year	(994,607)
Fees deferred during the year	<u>655,235</u>
Balance at 31 August 2020	<u>655,235</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Bank loans (see note 22)	<u>938,376</u>	<u>1,098,554</u>

22. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year on demand: Bank loans	<u>180,000</u>	<u>180,000</u>
Amounts falling between one and two years: Bank loans - 1-2 years	<u>180,000</u>	<u>180,000</u>
Amounts falling due between two and five years: Bank loans - 2-5 years	<u>540,000</u>	<u>540,000</u>
Amounts falling due in more than five years: Repayable by instalments: Bank loans more 5 years	<u>218,376</u>	<u>378,554</u>

The bank loans are secured by a fixed charge over certain freehold properties. At the year end this charge amounted to 47% (2019: 54%) of the cost of the freehold properties.

Details of the bank loans are as follows:

Loan - £1,118,376 - interest charged at 1.15% above base, repayable by 31/01/2027.

23. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Other operating leases	
	2020 £	2019 £
Less than one year	11,861	15,649
Between two and five years	<u>13,436</u>	<u>23,377</u>

24. DESIGNATED FUNDS

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Governors for specific purposes:

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
Special projects	150,000	-	-	-	150,000
Hardship fund	-	87,778	-	100,000	187,778
	<u>150,000</u>	<u>87,778</u>	<u>-</u>	<u>100,000</u>	<u>337,778</u>

BETHANY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

24. DESIGNATED FUNDS – continued

Designated funds represent amounts set aside for special projects at the discretion of the Governors.

The Governors' agreed to set aside a hardship fund in the year ended 31 August 2020. The purpose of this fund is to provide additional fee assistance to parents who were adversely affected by Covid-19.

25. ENDOWMENT FUNDS

The income funds of the charity include the following endowment funds which have been set aside out of unrestricted funds by the Governors for specific purposes:

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Investment Gains/ Losses £	Balance at 31 August 2020 £
Permanent endowments						
Jane Tomkinson	1,347	-	-	-	-	1,347
Expendable endowments						
C J Endowment fund	2,621,559	(13,471)	(24,711)	-	32,441	2,615,818
	<u>2,622,906</u>	<u>(13,471)</u>	<u>(24,711)</u>	<u>-</u>	<u>32,441</u>	<u>2,617,165</u>

The permanent endowment funds comprise the Jane Tomkinson Art Bursary.

The Governors have agreed to investments in an expendable endowment fund. Any gains or losses of the investments form part of the fund.

The income in the C J Endowment fund represents the school's dividend and interest income of £26,348 (2019: £32,303) for investments held as part of the endowment fund, bursaries and scholarships of £39,818 (2019: £17,724). The expenditure in the fund comprises £5,088 (2019: £6,028) of investment management fees and £19,623 (2019: £19,623) of depreciation.

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Designated fund £	Endowment funds £	2020 Total funds £	2019 Total funds £
Fixed assets	12,059,481	-	826,554	12,886,035	12,955,332
Investments	600,000	-	1,210,259	1,810,259	1,685,794
Current assets	2,501,583	337,778	580,352	3,419,713	3,657,794
Current liabilities	(1,697,791)	-	-	(1,697,791)	(1,922,853)
Long term liabilities	(938,376)	-	-	(938,376)	(1,098,554)
	<u>12,524,897</u>	<u>337,778</u>	<u>2,617,165</u>	<u>15,479,840</u>	<u>15,277,513</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

27. 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 £418,436 (2019: £284,270) and at the year-end £50,470 (2019: £38,632) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

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

BETHANY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020**

28. RELATED PARTY DISCLOSURES

Total donations received from related parties during the year ended 31 August 2020 amounted to £nil (2019: £nil).

There were no further related party transactions during the year other than those with Governors as detailed in note 9.

29. ULTIMATE CONTROLLING PARTY

The company, which is registered in England & Wales, is limited by guarantee and has no share capital. In the event of the charity being wound up and unable to meet its liabilities, each of the Governors undertakes to contribute such amounts as may be required up to a maximum of £1.

No one party has overall control of the school.

30. CAPITAL COMMITMENTS

At the balance sheet date, the school had no capital commitments.

