

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

GOVERNORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
FOR
BETHANY SCHOOL

Wells Associates
10 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1NU

BETHANY SCHOOL

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Page
Governors' Report (Incorporating the Strategic Report)	1 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 30

BETHANY SCHOOL

**GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Governors present their report and accounts for the period ended 31 August 2021. The Governors confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity'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 were:

R J Stubbs BSocSc CMRS	- Chairman – resigned 03/07/21
J M Fenn LLB	- appointed Chairman 03/07/21
W S Kent	- Vice Chairman
K Buckland BA FCA	- Treasurer
D R Boniface MA MSc	- resigned 27/03/21
R C Clark BA MD (Ed)	
J R W Hangartner MB BS BSc(Hons) MBA	
N P Kimber BSc FCA	
R Pilbeam	- resigned 30/09/21
A Cunningham	
P B Askew	
L Roberts	
E Connell	
G Power	
M Harman	
P Mackinnon	- appointed 21/11/20 & resigned 16/12/21
D Shaw	- appointed 27/03/21
S Bonell	- appointed 27/03/21

Headmaster

F Healy BSc HDipEd NPQH

Bursar and Company Secretary

S Harris	- resigned 19/05/21
V Epps-Wood	- appointed 19/05/21

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

REFERENCE AND ADMINISTRATIVE DETAILS – continued

Auditors

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

Accountants

Wells Associates
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

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, which 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), R Clark, and K Buckland sit on this Committee with the Headmaster and Bursar in attendance.

The other permanent Sub Committees are the Finance Committee, which is chaired by the Treasurer, with N Kimber, P Askew, W Kent and J M Fenn as members. The following School Committees, which have Governor representation met during the year:

Marketing & Development Committee
ICT Committee
Education Committee
Estates Committee
H & S Committee

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

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, both Deputy Heads and the Human Resources Manager attend Board meetings.

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.

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

All Governors were made aware of briefing documents provided by AGBIS, ISBA and other recognised bodies.

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 objectives the Governors have given careful consideration to the Charity Commissions' general guidance on public benefit.

AIMS AND OBJECTIVES

The Charity 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.

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.

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 school year, there were 349 pupils in the School (2019 – 333) of whom 85 were boarders (2019 – 104). There were 82 pupils in the Sixth Form. Boarding pupils are both British based and from a number of overseas countries, ensuring that the school maintain a broad international base, although Covid-19 reduced the numbers rather than the geographical spread of overseas boarders.

The numbers sitting Year 7 entrance examinations were at a record high which reflected our excellent educational provision during the first lockdown and our emphasis on pupil well-being.

The proportion of girls remained at approximately one third of the total pupil population.

The examination results were outstanding. The teacher assessed grades system worked well and the pupils worked enormously hard. As a result, they achieved the grades they deserved. The A level results were outstanding and were in the top percentile in value added terms, which passes the threshold for excellence. All pupils were successful in gaining places in their preferred universities with one of our best performing pupils gaining a place to read Medicine at Cambridge. The creative and artistic pupils also excelled and were all also accepted into their preferred university or further education courses.

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

Our GCSE results were also extremely good. We had record numbers and proportions of top grades. Given that our ability range is broad, the results are even more impressive. It just goes to show what hard work and unity of purpose can achieve. The staff worked tirelessly, in difficult circumstances, to support the pupils and the pupils responded in kind.

Bethany School reopened in September 2020 after the first lockdown, having fully prepared for a safe and secure reopening. All staff and pupils were tested twice using lateral flow test devices before the start of term. The Chapel was converted into a pupil testing centre and pupils were also tested prior to their return in September 2020 and March 2021. Boarders were tested there twice a week.

The curriculum timetable was modified to cope with Covid-19. Lessons were shortened to 40 minutes and all year groups were taught in bubbles. 21 hand washing stations were erected throughout the campus, a second dining room was created and there were copious hand sanitising facilities in all the classrooms. Boarding houses were divided into full and weekly boarding houses and occasional boarding was not offered. These added safety features were highly appreciated by parents.

A Covid-19 testing machine was purchased in September 2020 and shared with other local Schools. This allowed Bethany to Covid test symptomatic pupils and obtain results within 2 hours. The purchase of this machine minimised the time that symptomatic pupils and staff were away from school.

There were several virtual events throughout the year including but not limited to; weekly Headmaster Assemblies, Music Concerts, Remembrance Service, Christmas Carol Service, Leavers' Service and Prize Giving.

The competitive house system was adapted to cope with the increased restrictions and the competitions were usually divided into either virtual events or specific year group events. The enjoyment and participation levels were both very high.

The Duke of Edinburgh's Award Scheme was also adapted and towards the end of the summer term expeditions resumed.

The Christian life of the School enthused the pupils appropriately, albeit remotely.

The continued professional development of staff continued and added emphasis was placed on further development of ICT and the sharing of best practice using Microsoft Teams as the preferred platform. Bethany's experience in incorporating ICT into its mainstream teaching for the last 20 years and its continuous quest to improve practice, ensured that the teaching and learning supplied by Bethany remained outstanding throughout the year.

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE – continued

For the second year running, Bethany hosted a Society of Heads Computer Science Day which was delivered remotely and was hugely appreciated by the Computer Science teachers logged into the Teams meeting. The teachers greatly valued sharing best practice and once again the event obtained excellent feedback.

In Years 7 to 9 the continued emphasis on project-based learning, which necessitates whole day project tasks off-timetable, remains both popular and successful. These days require pupils to focus on skills rather than knowledge thereby ensuring that pupils are more aware of why they are acquiring the knowledge as well as gaining expertise in applying this in real life situations.

The number of staff qualified to "coach" colleagues and pupils on how to self-improve increased further and there is a programme of coaching some GCSE and A Level pupils so that they can self-improve as they study for the requisite qualifications.

The continuing reduction in the number of subjects offered in state schools has provided an impetus to Bethany to keep its range of A level and GCSE subjects 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 with campus with the highlight being an old Morris Minor classic car which is being lovingly renovated. Sadly, due to the Covid-19 situation, Bethany was unable to enter the best projects selected for the national competitions.

FINANCIAL REVIEW

The Charity raises its funds from fees and related activities and has not engaged in appeals for many years until now. Previously developments were either 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 £7.097 million during the year (2020 £6.844 million), of which £6.540 million was generated from school fees (2020 £6.432 million). Expenditure totalled £6.491 million (2020 £6.674 million) which, including gains on investments of £230k (2020 £32k), gave a surplus for the year of £836k (2020 £202k). This was used to reduce borrowing resulting from previous investment in improved resources.

Total funds at 31 August 2021 were £16.316 million (2020 £15.480 million), of which £2.865 million were held in the endowment fund (2020 £2.617 million), £315k are designated funds (2020 £337k), and £197k restricted funds (2020 £0).

Reserves Policy

The School holds total unrestricted reserves of £12.938 million (2020 £12.525million), which include tangible fixed assets of £12.641 million (2020 £12.886 million) and long-term bank loans of £771k (2020 £938k). 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 trustees' investment powers are governed by the trust deed, which permits the School's funds to be invested in any investment, security or property as may be thought fit. 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 £805k (2020 £951k) which represented 10.7% of gross fee income (2020 12.7%). 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.

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW – continued

Asset cover for funds

Note 27 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 Charity's obligations on a fund by fund basis.

Risk Management

Bethany School Board of Governors is 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.

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. The Duke of Edinburgh's Award Scheme assisted the local community as best it could with its service section. Charities continued to benefit from the fundraising activities of the Bethany pupils and this year: some of these 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, Read for Good, Salvation Army, Save the Children, Water Aid, as well as a range of other good causes.

The range of organisations which would normally use the school facilities was reduced this year, due to lockdown. However the premises were used by Urban Saints and Skill Go in August.

The School offered 12% of its fee income in Scholarships, Bursaries and Fees subsidies.

- 62 Pupils received Means Tested Bursaries of which 1 was for 70% of fees, 5 were for 50% of fees, 18 were 30% - 49% and 38 were under 30%
- 44 Pupils received a Sibling Discount (10%)
- 110 Pupils received Scholarships – Academic, Art, Dance, Drama, Music, Drama Sport and Technology of 10 – 40%
- 1 Pupil received Services or Clergy bursary (10%).

The Bethany Parent Hardship Fund was set up in March 2020 with a contribution from the School's reserves. Parents who were able to do so were also invited to donate into it during the second school lockdown in January and approximately 50% of parents contributed to it. This fund provided additional fee assistance to parents who were adversely affected by Covid-19.

BETHANY SCHOOL

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

COMMUNITY LINKS AND PUBLIC BENEFIT - continued

Two teachers and two Governors act as Governors for local primary schools.

DEVELOPMENTS AND FUTURE PLANS

The school site was prepared and continually reviewed to be Covid-19 friendly in readiness for September 2021 return. This included maintaining one-way systems, 21 handwashing facilities around the campus, hand sanitising stations, dedicated pathways for entries and exits from various classrooms, and the hiring of additional toilet facilities. Staff and pupils were also temperature checked on arrival, they had to wear face coverings indoors including in shared offices and classrooms.

In addition to the above maintenance was carried out to the existing buildings including:

- New fire doors fitted to two of the science labs and two fire escapes refurbished
- Painting and redecoration to classrooms in the Hayward and Holmes buildings and to Art rooms
- Painting of day rooms, dining room, admin office and foyer to function suite
- Several staff accommodation units were redecorated and refurbished
- New carpets fitted to corridors and stairs in Kendon Boarding House
- New flooring fitted to Art Studio and Photography room
- Installation of new boilers to 1, 2 and 3 Providence Cottages
- Alteration to Orchard Boarding House providing an additional day room and kitchenette
- Refurbishment of Astro turf pitch and new hockey goals
- Additional CCTV in day house and modern languages
- New suspended ceiling and lighting fitted to Wellness Centre

The next major project is the construction of a Performing Arts Centre, which will incorporate the Music and Drama Departments. Planning permission was obtained in July 2021. A fundraising appeal was set up in January 2021 with the goal of raising £800,000 to help fund the construction of the PAC.

REPORTABLE INCIDENTS

During the year there has 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.

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

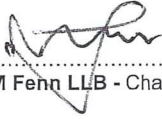
BETHANY SCHOOL

**GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2021**

AUDITORS

A resolution proposing that TC Group be auditors for 2021/22 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 And signed on the board's behalf by:



.....
J M Fenn LLB - Chairman

5th March 2022

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 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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) 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 requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BETHANY SCHOOL

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the governors and other management (as required by auditing standards), and discussed with the governors and other management the policies and procedures regarding compliance with laws and regulations;
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); Independent Schools Inspectorate (ISI); fraud; bribery and corruption and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the governors and other management and inspection of regulatory and legal correspondence, if any.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charitable company's operations, the control environment and business performance;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

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

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

TC Group

Mark Cummins FCCA (Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditors
Office: Sussex

Dated: 24 March 2012

BETHANY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted fund £	Designated fund £	Restricted Fund £	Endowment funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM							
Donations and legacies	2	-	84,721	160,409	-	245,130	92,242
Gift aid		-	10,375	36,613	-	46,988	-
Charitable activities	3	6,642,751	(117,669)	-	15,427	6,540,509	6,432,285
Other trading activities	4	214,301	-	-	-	214,301	284,466
Investment income	5	23,759	-	-	26,782	50,541	33,633
Other income	6	-	-	-	-	-	1,500
Total		6,880,811	(22,573)	197,022	42,209	7,097,469	6,844,126
EXPENDITURE ON							
Raising funds	7	10,194	-	-	2,600	12,794	10,210
Charitable activities	7	6,457,288	-	-	21,423	6,478,711	6,664,031
Total		6,467,482	-	-	24,023	6,491,505	6,674,241
Net realised gains/(losses) on investments	15	-	-	-	212	212	35,381
Net unrealised gains/(losses) on investments	15	-	-	-	230,276	230,276	(2,940)
NET INCOME/(EXPENDITURE)		413,329	(22,573)	197,022	248,674	836,452	202,326
RECONCILIATION OF FUNDS							
Total funds brought forward		12,524,897	337,778	-	2,617,164	15,479,839	15,277,513
TOTAL FUNDS CARRIED FORWARD		12,938,226	315,205	197,022	2,865,838	16,316,291	15,479,839

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 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	13	12,640,733	12,886,035
Investments	15	1,438,139	1,210,259
Investment property	14	<u>600,000</u>	<u>600,000</u>
		14,678,872	14,696,294
CURRENT ASSETS			
Stocks	16	13,750	11,059
Debtors	17	167,639	217,814
Cash at bank	18	<u>4,267,777</u>	<u>3,190,838</u>
		4,449,166	3,419,711
CREDITORS			
Amounts falling due within one year	19	<u>(2,039,933)</u>	<u>(1,697,790)</u>
NET CURRENT ASSETS		<u>2,409,233</u>	<u>1,721,921</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,088,105	16,418,215
CREDITORS			
Amounts falling due after more than one year	21	<u>(771,814)</u>	<u>(938,376)</u>
NET ASSETS		<u>16,316,291</u>	<u>15,479,839</u>
FUNDS			
Unrestricted funds		12,938,226	12,524,897
Designated funds	24	315,205	337,778
Restricted funds	25	197,022	-
Endowment funds	26	<u>2,865,838</u>	<u>2,617,164</u>
TOTAL FUNDS		<u>16,316,291</u>	<u>15,479,839</u>

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


.....
J M Fenn LLB - Governor

5th March 2022

BETHANY SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	1,364,413	376,957
		<u>1,364,413</u>	<u>376,957</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	13	(193,159)	(336,212)
Purchase of fixed asset investments	15	-	(1,337,404)
Income from investment property		17,000	-
Sale of tangible fixed assets		912	1,500
Sale of fixed asset investments	15	2,608	1,245,380
Interest received		6,759	7,285
Dividends received		<u>26,782</u>	<u>26,348</u>
Net cash used in investing activities		<u>(139,098)</u>	<u>(393,103)</u>
Cash flows from financing activities			
Repayment of long term bank loan		(166,562)	(160,178)
Income attributable to endowment	26	42,209	(13,471)
Expenditure attributable to endowment	26	<u>(24,023)</u>	<u>(24,711)</u>
Net cash used in financing activities		<u>(148,376)</u>	<u>(198,360)</u>
Change in cash and cash equivalents in the reporting period			
		1,076,939	(214,506)
Cash and cash equivalents at the beginning of the reporting period			
		<u>3,190,838</u>	<u>3,405,344</u>
Cash and cash equivalents at the end of the reporting period			
		<u>4,267,777</u>	<u>3,190,838</u>

BETHANY SCHOOL

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021	2020
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	836,452	202,326
Adjustments for:		
Depreciation charges	437,549	405,507
Gain on investments	(230,488)	(32,441)
Income from investment property	(17,000)	-
Profit on disposal of fixed assets	-	(1,500)
Interest received	(6,759)	(7,285)
Dividends received	(26,782)	(26,348)
Income attributable to endowment	(42,209)	13,471
Expenditure attributable to endowment	24,023	24,711
(Increase)/decrease in stocks	(2,691)	19,431
(Increase)/decrease in debtors	50,175	4,147
Increase/(decrease) in creditors	342,143	(225,062)
Net cash provided by operations	<u>1,364,413</u>	<u>376,957</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash in hand	4,267,777	3,190,838
Total cash and cash equivalents	<u>4,267,777</u>	<u>3,190,838</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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 2021, 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 2021

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, Restricted 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 2021

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 £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Donations	-	84,721	160,409	-	245,130	92,242
	<u>-</u>	<u>84,721</u>	<u>160,409</u>	<u>-</u>	<u>245,130</u>	<u>92,242</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

3. CHARITABLE ACTIVITIES

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
School fees	7,523,505	-	-	-	7,523,505	7,463,217
Registration fees	13,200	-	-	-	13,200	12,869
Bursaries and scholarships	(820,439)	-	-	15,427	(805,012)	(950,787)
Hardship discount	(189,578)	(117,669)	-	-	(307,247)	(181,437)
Transport income	116,063	-	-	-	116,063	88,423
	<u>6,642,751</u>	<u>(117,669)</u>	<u>-</u>	<u>15,427</u>	<u>6,540,509</u>	<u>6,432,285</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Rental income	30,366	-	-	-	30,366	1,745
Job retention scheme grant	183,935	-	-	-	183,935	282,721
	<u>214,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,301</u>	<u>284,466</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Income from listed investments	-	-	-	26,782	26,782	26,348
Income from investment property	17,000	-	-	-	17,000	-
Interest received	6,759	-	-	-	6,759	7,285
	<u>23,759</u>	<u>-</u>	<u>-</u>	<u>26,782</u>	<u>50,541</u>	<u>33,633</u>

6. OTHER INCOME

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Gain on sale of fixed assets	-	-	-	-	-	1,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

7. EXPENDITURE

	Staff Costs	Depreciation	Other Costs	Total 2021	Total 2020
	£	£	£	£	£
Raising funds					
Investment management fees	-	-	2,600	2,600	5,088
Fundraising costs	-	-	10,194	10,194	5,122
Total costs of raising funds	-	-	12,794	12,794	10,210
Charitable activities					
Education					
Teaching costs	2,365,631	19,623	281,414	2,666,668	2,933,311
Welfare costs	213,133	-	461,186	674,319	672,911
Premises costs	468,276	417,926	1,163,845	2,050,047	2,006,431
Support costs	637,717	-	411,564	1,049,281	995,925
Finance costs	-	-	15,042	15,042	24,996
Governance costs	-	-	23,354	23,354	30,457
Total charitable activities	3,684,757	437,549	2,356,405	6,478,711	6,664,031
Total expenditure	3,684,757	437,549	2,369,199	6,491,505	6,674,241

Governance costs include payments of £12,300 (2020: £14,580) for audit fees and payments of £9,965 (2020: £7,348) for other non-audit services.

Net income is stated after charging £34,268 (2020: £46,050) to operating lease rentals included within premises costs, £41,796 (2020: £11,516) to operating lease rentals included within support costs and interest charged on bank loans of £13,439 (2020: £23,306) included within finance costs.

Of costs relating to raising funds, £2,600 (2020: £5,088) relates to the endowment fund. Of costs relating to charitable activities, £21,423 (2020: £19,623) relates to the endowment fund.

8. SUPPORT COSTS

	2021 £	2020 £
Support staff costs	637,717	526,439
Marketing costs	89,986	138,951
Computer costs	8,324	8,762
Post & stationery	24,296	41,492
Staff welfare & other staff costs	47,276	53,440
Staff recruitment	36,765	18,693
Telephone	9,073	8,321
Overseas recruitment & commission	43,981	84,485
Professional fees	44,117	56,833
Travel & subsistence	547	5,619
Subscriptions	6,276	18,574
Miscellaneous costs	100,923	34,316
TOTAL	1,049,281	995,925

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

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 £149 for travelling expenses (2020: one was reimbursed a total of £55 for travelling expenses).

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

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	2,906,520	3,033,206
Social security costs	287,098	303,371
Other pension costs	491,139	521,663
	<u>3,684,757</u>	<u>3,858,240</u>

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

	2021	2020
Teaching	40	54
Administration	28	25
Welfare and premises	34	36
	<u>102</u>	<u>115</u>

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

	2021	2020
£60,000 - £70,000	3	2
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>4</u>	<u>3</u>

Contributions totalling £64,168 (2020: £55,775) 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 head academic and the pastoral deputy. The total employee benefits including pension contributions for the key management personnel were £479,150 (2020: £472,251).

During the year under review, ex gratia payments totalling £7,667 (2020: £nil) were paid to employees in relation to termination of employment.

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Designated fund £	Restricted Fund £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4,464	87,778	-	-	92,242
Charitable activities	6,472,104	-	-	(39,819)	6,432,285
Other trading activities	284,466	-	-	-	284,466
Investment income	7,285	-	-	26,348	33,633
Other income	1,500	-	-	-	1,500
Total	6,769,819	87,778	-	(13,471)	6,844,126
EXPENDITURE ON					
Raising funds	5,122	-	-	5,088	10,210
Charitable activities	6,644,408	-	-	19,623	6,664,031
Total	6,649,530	-	-	24,711	6,674,241
Net gains on investments	-	-	-	32,441	32,441
NET INCOME/(EXPENDITURE)	120,289	87,778	-	(5,741)	202,326
Transfers between funds	(100,000)	100,000	-	-	-
Net movement in funds	20,289	187,778	-	(5,741)	202,326
RECONCILIATION OF FUNDS					
Total funds brought forward	12,504,608	150,000	-	2,622,905	15,277,513
TOTAL FUNDS CARRIED FORWARD	<u>12,524,897</u>	<u>337,778</u>	<u>-</u>	<u>2,617,164</u>	<u>15,479,839</u>

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.

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

13. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Assets under construction £	Totals £
COST					
At 1 September 2020	16,508,911	590,256	61,463	41,934	17,202,564
Additions	-	98,215	-	94,944	193,159
Disposals	-	-	(6,840)	-	(6,840)
At 31 August 2021	<u>16,508,911</u>	<u>688,471</u>	<u>54,623</u>	<u>136,878</u>	<u>17,388,883</u>
DEPRECIATION					
At 1 September 2020	3,949,067	337,075	30,387	-	4,316,529
Charge for year	342,450	88,701	6,398	-	437,549
Eliminated on disposal	-	-	(5,928)	-	(5,928)
At 31 August 2021	<u>4,291,517</u>	<u>425,776</u>	<u>30,857</u>	<u>-</u>	<u>4,748,150</u>
NET BOOK VALUE					
At 31 August 2021	<u>12,217,394</u>	<u>262,695</u>	<u>23,766</u>	<u>136,878</u>	<u>12,640,733</u>
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>

Included within land and buildings is freehold land of £1,591,176 (2020: £1,591,176) which is not depreciated.

14. INVESTMENT PROPERTY

Fair value at 1 September 2020	£ 600,000
Fair value at 31 August 2021	<u>600,000</u>

15. FIXED ASSET INVESTMENTS

	Managed investments £
MARKET VALUE	
At 1 September 2020	
Acquisitions at cost	1,210,259
Disposals	-
Change in value during the year	(2,608)
At 31 August 2021	<u>230,488</u>
NET BOOK VALUE	
At 31 August 2021	<u>1,438,139</u>
At 31 August 2020	<u>1,438,139</u>
Historical cost:	
At 31 August 2021	<u>1,207,825</u>
At 31 August 2020	<u>1,210,224</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

15. FIXED ASSET INVESTMENTS – continued

The gain on investments shown within the Statement of Financial Activities of £230,488 (2020: £32,441) comprises a realised gain of £212 (2020: £35,381) on investments sold during the year, and an unrealised gain of £230,276 (2020: loss of £2,940) on investments held at the year end.

As at 31 August 2021, the following investments represented over 5% of the portfolio market value:

Rathbone Unit Trust Mgmt – Core Investment Fund for Charities 1,438,139 – 100%

16. STOCKS

	2021 £	2020 £
Stocks	<u>13,750</u>	<u>11,059</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	89,800	132,494
Accrued income	44,788	79,920
Prepayments	<u>33,051</u>	<u>5,400</u>
	<u>167,639</u>	<u>217,814</u>

18. CASH AT BANK

	General fund £	Designated fund £	Restricted fund £
Operational cash	3,134,782	315,205	197,022
Managed investment cash	-	-	-
Total	<u>3,134,782</u>	<u>315,205</u>	<u>197,022</u>
		2021	2020
	Endowment fund £	Total funds £	Total funds £
Operational cash	613,527	4,260,536	3,184,118
Managed investment cash	<u>7,241</u>	<u>7,241</u>	<u>6,720</u>
Total	<u>620,768</u>	<u>4,267,777</u>	<u>3,190,838</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 20)		
Trade creditors	180,000	180,000
Social security and other taxes	144,544	105,122
Fees in advance	64,362	76,849
Accrued expenses and other creditors	880,529	655,235
	<u>770,498</u>	<u>680,584</u>
	<u>2,039,933</u>	<u>1,697,790</u>

Fees in advance represent fees due for the Michaelmas term 2021 and are analysed below in note 20.

20. FEES IN ADVANCE

	£
Balance at 1 September 2020	655,235
Fees released during the year	(655,235)
Fees deferred during the year	<u>880,529</u>
Balance at 31 August 2021	<u>880,529</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Bank loans (see note 22)	<u>771,814</u>	<u>938,376</u>

22. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
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>51,814</u>	<u>218,376</u>

The bank loans are secured by a fixed charge over certain freehold properties. At the year end this charge amounted to 40% (2020: 47%) of the cost of the freehold properties.

Details of the bank loans are as follows:

Loan - £951,814 - 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	
	2021 £	2020 £
Less than one year	74,776	75,336
Between two and five years	<u>103,053</u>	<u>127,827</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 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2021 £
Special projects	150,000	-	-	-	150,000
Hardship fund	187,778	95,096	117,669	-	165,205
	<u>337,778</u>	<u>95,096</u>	<u>117,669</u>	<u>-</u>	<u>315,205</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

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. RESTRICTED FUNDS

The income funds of the charity include the following restricted funds which have restrictions on their usage imposed by the donors:

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2021 £
Performing Arts Centre	-	197,022	-	-	197,022
	-	197,022	-	-	197,022

The Performing Arts Centre fund relates to donations specifically donated to fund the construction of the Performing Arts Centre.

26. 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 2020 £	Income £	Expenditure £	Transfers £	Investment Gains/ Losses £	Balance at 31 August 2021 £
Permanent endowments						
Jane Tomkinson	1,347	-	-	-	-	1,347
Expendable endowments						
C J Endowment fund	2,615,817	42,209	(24,023)	-	230,488	2,864,491
	2,617,164	42,209	(24,023)	-	230,488	2,865,838

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 £33,541 (2020: £26,348) for investments held as part of the endowment fund, bursaries and scholarships of £14,927 (2020: £39,818). The expenditure in the fund comprises £2,600 (2020: £5,088) of investment management fees, £1,800 (2020: £nil) of property costs and £19,623 (2020: £19,623) of depreciation.

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

27. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Designated fund £	Restricted Fund £
Fixed assets	11,833,802	-	-
Investments	600,000	-	-
Current assets	3,316,171	315,205	197,022
Current liabilities	(2,039,933)	-	-
Long term liabilities	(771,814)	-	-
	<u>12,938,226</u>	<u>315,205</u>	<u>197,022</u>

	Endowment funds £	2021 Total funds £	2020 Total funds £
Fixed assets	806,931	12,640,733	12,886,035
Investments	1,438,139	2,038,139	1,810,259
Current assets	620,768	4,449,166	3,419,711
Current liabilities	-	(2,039,933)	(1,697,790)
Long term liabilities	-	(771,814)	(938,376)
	<u>2,865,838</u>	<u>16,316,291</u>	<u>15,479,839</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

28. 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 £393,617 (2020: £418,436) and at the year-end £45,825 (2020: £50,470) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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

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

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

29. RELATED PARTY DISCLOSURES

Total donations received from related parties during the year ended 31 August 2021 amounted to £1,750 (2020: £nil).

During the year under review, £12,028 was paid to Looking Glass Marketing Limited in respect of marketing services. Mr D Shaw, a governor of the School, holds shares in Looking Glass Marketing Limited. As at 31 August 2021, the School owed the company £1,884.

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

BETHANY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

30. 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.

31. CAPITAL COMMITMENTS

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