

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

**REPORT OF THE GOVERNORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023  
FOR  
BETHANY SCHOOL**

**BETHANY SCHOOL**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

	<b>Page</b>
<b>Report of the Governors</b>	1 to 7
<b>Report of the Independent Auditors</b>	8 to 10
<b>Statement of Financial Activities</b>	11
<b>Balance Sheet</b>	12
<b>Cash Flow Statement</b>	13
<b>Notes to the Cash Flow Statement</b>	14
<b>Notes to the Financial Statements</b>	15 to 28

## **BETHANY SCHOOL**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2023**

The governors who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023. The governors have adopted the provisions of 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).

#### **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:**

J M Fenn LLB	- Chairman
W S Kent	- Vice Chairman
K Buckland BA FCA	- Treasurer
R C Clark BA MD (Ed)	
N P Kimber BSc FCA	
A Cunningham	
P B Askew	
L Roberts	
E Connell	
M Harman	
D Shaw	
G Power	
S Bonnell	- resigned 31/08/23
A Scott	
M Kellett	- appointed 01/12/23

##### **Headmaster**

F Healy BSc HDipEd NPQH

##### **Bursar and Company Secretary**

C Morey BA (Hons) ACA

##### **Auditors**

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

## **BETHANY SCHOOL**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2023**

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **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

##### **Bankers**

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

#### **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. J Fenn (Chairman), W Kent (Vice Chair), R Clark, K Buckland and S Bonnell sit on this Committee with the Headmaster and Bursar in attendance.

The other permanent Sub Committees are the Finance Committee, who meet with the Executive Committee once per term, with N Kimber and P Askew as members. Other permanent Sub Committees include the Education Committee, the Marketing and Development Committee and Estates Committee. 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, Director of HR and Director of Marketing & Admissions. The Headmaster and Bursar attend Governors and Executive Committee meetings. All the senior management team attends every full board meeting.

#### **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 fifteen 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, the Governors were trained in safeguarding and have undertaken online training using Educare courses.

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

## **BETHANY SCHOOL**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2023**

#### **SENIOR MANAGEMENT PAY POLICY**

In line with pay for all staff, the Senior 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.

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 Designated Funds.

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 2022-23 school year there were an average of 349 pupils in the school (in 2021-22 there were 358) of whom 67 were boarders (in 2021-22 there were 78). There were 71 pupils in the Sixth Form. Boarding pupils are primarily British, although there were a number from overseas countries and these were primarily from Europe, Africa and the Far East.

A record number of pupils sat the Year 7 entrance assessments in November 2022. It is clear that the school's promotion of wellbeing and happiness struck a chord with prospective parents, coupled with the later ISI inspection result in April 2023 where the school was rated as Excellent in both academic and other achievements as well as pupils' personal development. The whole Bethany community were immensely proud of these achievements.

The ratio of boys to girls remains at 2:1. We were delighted with this year's GCSE and A Level results which were terrific. Grades at both A Level and GCSE were well above national norms, despite an ability profile at GCSE in line with the national average and that at A level below.

## **BETHANY SCHOOL**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2023**

#### **ACHIEVEMENTS AND PERFORMANCE – continued**

As usual all of the pupils who wished to go to university gained entry to their preferred places of study. Given the breadth of curriculum that we offer at A Level, we were naturally delighted that our creative and artistic pupils were once again able to pursue their talents in their chosen destinations.

Once again, our GCSE and A level pupils were incredibly well supported by our vocational staff and they also worked extremely hard in tandem with the pupils, which enabled such great successes to be obtained.

We were pleased that we were able to resume our annual charity walk in September, with pupils raising a grand total of £4,650 for charities nominated by each year group. We also hosted our annual sports afternoon the same month.

We had our first Open Morning of the year in September with more visiting the school than ever, which is pleasing and positive.

Post pandemic, many of the much-loved school events returned with gusto; for example the Friends of Bethany School (our own busy parents' association) organised a most successful disco for pupils in Years 7 to 9 in the Assembly Hall in November and a comedy night in March, as well as supporting the many school events supplying drinks and snacks for the attendees.

Both the Christmas Concert and Christmas Carol Service were well attended with the latter being recorded and distributed to parents electronically to ensure our overseas boarders did not succumb to Covid in the final weeks of term. Each of our 7 year groups had school-based Christmas parties before the end of term.

The Duke of Edinburgh Award Scheme continued apace with a large number of pupils taking part at Bronze, Silver and Gold award levels. The central Christian ethos of the school was maintained with all of our pupils attending weekly chapel services. The professional development of staff continues, with further sharing of expertise in terms of IT and Microsoft Teams, as well as the introduction of teachers videoing themselves in lessons so that their practice could be constructively analysed by both themselves and colleagues. It is a continued desire at Bethany to continually improve and evaluate teaching and learning as this maximises the pupils' learning experiences at Bethany.

Sport continues to be an important part of school life not only creating shared passions but also actively promoting team building skills. More than ever we are creating sporting opportunities, including matches, coached by experts in their chosen sport, for as many pupils as possible. Results are improving as Bethany grows its name in the school sport arena.

Once again Bethany has been awarded Microsoft Showcase status; we are amongst a small number of schools who have been successful in the application.

Project Based Learning has now been embedded into the Key Stage Three curriculum. In these projects, pupils focus on the development of learning skills rather than knowledge, so that they understand why the knowledge they are learning is required in real life situations.

Bethany has intentionally kept its range of GCSE and A Level subjects broad, so that we can meet the needs of our creative and artistic pupils.

On the pastoral front we were delighted to be re-awarded the Wellbeing Award this year. It reflects the school's efforts to support the pupils' and staff wellbeing. Congratulations specifically go to our Wellness Centre and pastoral teams including the Dyslexia Learning Support team for their exceptionally hard work in supporting our pupils and staff.

Overseas pupils also enjoy support with learning English as an Additional Language (EAL) to enable them to fully engage in our varied and full curriculum.

#### **FINANCIAL REVIEW**

The School principally raises its funds from fees and related activities and has not engaged in appeals for many years until recently for the new Performing Arts Centre. 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 £8.12 million during the year (2022: £8.08 million), of which £7.59 million was generated from school fees (2022: £7.59 million). Expenditure totalled £8.43 million (2022: £7.47 million) which, including losses on investments of £50k (2022: loss of £82k), gave a deficit for the year of £367k (2022: surplus of £521k). Before depreciation the surplus was £84k (2022: £958k). Much of the increased expenditure arose from energy costs coming out as a previously favourable deal and food costs.

## **BETHANY SCHOOL**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2023**

#### **FINANCIAL REVIEW – continued**

Total funds at 31 August 2023 were £16.47 million (2022: £16.84 million), of which £2.82 million were held in the designated and restricted funds (2022: £3.47 million).

#### **Reserves Policy**

The School holds total unrestricted reserves of £13.64 million (2022: £13.37 million), which include tangible fixed assets of £13.85 million (2022: £12.65 million) and long-term bank loans of £610k (2022: £785k). 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 have agreed to maintain one term's worth of working capital wherever possible.

#### **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 Christopher Jackson Fund. Rathbones Investment Management have been appointed to manage this investment portfolio for the School. An investment policy has been agreed by the Governors since the year end.

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 £877k (2022: £861k) which represented 10.6% of gross fee income (2022: 10.4%). 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 25 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:

- Challenging economic and political environments adversely affecting pupil numbers and fee levels.
- Loan financing challenges.
- Impact of Brexit on pupil recruitment and retention.
- Inflationary pressures on certain costs.
- Competition from both independent and state schools for pupils
- Ensuring Safe-guarding and Inspection in an increasingly regulated environment.

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

- Strategic planning and scenario setting.
- Comprehensive strategic planning, budgeting and management accounting.
- Formal agenda for Committee and Board activities.
- Detailed Terms of reference for all Committees.
- 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.
- Robust balance sheet, asset rich.

## **BETHANY SCHOOL**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2023**

#### **Risk Management – continued**

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 THE PUBLIC BENEFIT**

The school continued to improve its links with the local community. Our Friday afternoon enrichment programme ensured that the Duke of Edinburgh Award Scheme pupils assisted the local community in a range of services. A variety of charities benefitted from fundraising activities of Bethany pupils during the year. These included: Marden Foodbank, Cancer Research UK, Great Ormond Street Hospital, Mind UK, War Child, Turkey/Syria Earthquake Appeal, Red Nose Day, Porchlight and Save the Children

We were delighted that our annual summer schools returned in July and August. We continue to offer the use of school facilities for many local schools and community clubs both during the day and in the evenings.

The school offered 9.1% of its fee income in Scholarships, Bursaries and Fees subsidies.

- 51 Pupils received Means Tested Bursaries ranging from 10% awarded to a full 100% for our pupils from war torn countries.
- 55 Pupils received a Sibling Discount (10%).
- 82 Pupils received Scholarships – Academic, Art, Dance, Drama, Music, Drama Sport and Technology which ranged from 10-20%% of fees.
- 1 Pupil received Services or Clergy bursary (10%).

One teacher and one governor act as governors for local primary schools.

#### **DEVELOPMENT AND FUTURE PLANS**

Following the granting of planning permission for the PAC (Performing Arts Centre) in July 2020, a fundraising appeal, which was set up in January 2021, had an initial fundraising target of £800,000. This has been surpassed and the target has been increased to £1 million to help fund the construction of the PAC. It is hoped to have the PAC operational by September 2024.

A pre-planning application to replace Pengelly Boarding House was submitted in March. Subsequently the demolition of the old building has been carried out and we await the funds to allow the rebuild in due course.

Maintenance was carried out to existing buildings, and this included

- External decoration of the Wellness Centre
- Repairs to floodlights
- Refurbishment of boys' and girls' toilets
- Refurbishment of the housemaster's accommodation at the Mount
- New boilers in various areas of the site
- Old swimming pool filled in and levelled
- Roof repairs to Kendon
- Repaired and renewed many doors and windows.

#### **REPORTABLE INCIDENTS**

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

## BETHANY SCHOOL

### REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2023

#### 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 Report of the Governors 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.

#### AUDITORS

The auditors, TC Group, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the governors, incorporating a strategic report, approved by order of the board of governors, as the company directors, on 9 March 2024 and signed on the board's behalf by:

  
.....  
J M Fenn - Governor

## **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 2023 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 (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 2023 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 Auditors' 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 charitable 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 Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors 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 the 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 Report of the Governors.

We have nothing to report in respect of the following matters where 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 governors' 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 Statement of Governors' Responsibilities, 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.

### **Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

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.

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

### Our responsibilities for the audit of the financial statements – continued

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### 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 auditors' 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  
The Courtyard,  
Shoreham Road  
Upper Beeding  
Steyning  
West Sussex  
BN44 3TN

Date: 25 April 2024

**BETHANY SCHOOL**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	Unrestricted fund £	Designated fund £	Restricted fund £	Endowment fund £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>							
Donations and legacies	3	38,396	-	216,878	-	255,274	235,565
Gift aid		-	-	28,027	-	28,027	49,947
Charitable activities	4	7,717,020	(128,316)	-	-	7,588,704	7,590,584
Other trading activities	5	161,755	-	-	-	161,755	128,055
Investment income	6	49,365	34,688	-	-	84,053	73,011
<b>Total</b>		<b>7,966,536</b>	<b>(93,628)</b>	<b>244,905</b>	<b>-</b>	<b>8,117,813</b>	<b>8,077,162</b>
<b>EXPENDITURE ON</b>							
Raising funds	7	-	2,512	-	-	2,512	2,765
Charitable activities	7	8,413,021	19,623	-	-	8,432,644	7,471,177
<b>Total</b>		<b>8,413,021</b>	<b>22,135</b>	<b>-</b>	<b>-</b>	<b>8,435,156</b>	<b>7,473,942</b>
Net realised gains/(losses) on investments	15	-	136	-	-	136	318
Net unrealised gains/(losses) on investments	15	-	(50,107)	-	-	(50,107)	(82,362)
<b>NET INCOME/(EXPENDITURE)</b>		<b>(446,485)</b>	<b>(165,734)</b>	<b>244,905</b>	<b>-</b>	<b>(367,314)</b>	<b>521,176</b>
<b>Transfers between funds</b>		<b>718,495</b>	<b>-</b>	<b>(718,495)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>272,010</b>	<b>(165,734)</b>	<b>(473,590)</b>	<b>-</b>	<b>(367,314)</b>	<b>521,176</b>
<b>RECONCILIATION OF FUNDS</b>							
<b>Total funds brought forward</b>		<b>13,369,819</b>	<b>2,992,711</b>	<b>473,590</b>	<b>1,347</b>	<b>16,837,467</b>	<b>16,316,291</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>13,641,829</b>	<b>2,826,977</b>	<b>-</b>	<b>1,347</b>	<b>16,470,153</b>	<b>16,837,467</b>

**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.

The notes form part of these financial statements

**BETHANY SCHOOL****BALANCE SHEET  
31 AUGUST 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Intangible assets	13	33,570	-
Tangible assets	14	13,852,061	12,646,626
Investments	15	1,250,872	1,303,321
Investment property	16	<u>650,000</u>	<u>650,000</u>
		15,786,503	14,599,947
<b>CURRENT ASSETS</b>			
Stocks	17	13,750	13,750
Debtors	18	2,199,387	269,753
Cash at bank	19	<u>3,897,829</u>	<u>5,293,034</u>
		6,110,966	5,576,537
<b>CREDITORS</b>			
Amounts falling due within one year	20	<u>(4,997,482)</u>	<u>(2,734,164)</u>
<b>NET CURRENT ASSETS</b>			
		<u>1,113,484</u>	<u>2,842,373</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		16,899,987	17,442,320
<b>CREDITORS</b>			
Amounts falling due after more than one year	22	<u>(429,834)</u>	<u>(604,853)</u>
<b>NET ASSETS</b>			
		<u>16,470,153</u>	<u>16,837,467</u>
<b>FUNDS</b>			
Unrestricted funds		13,641,829	13,369,819
Designated funds	26	2,826,977	2,992,711
Restricted funds	27	-	473,590
Endowment funds	28	<u>1,347</u>	<u>1,347</u>
<b>TOTAL FUNDS</b>			
		<u>16,470,153</u>	<u>16,837,467</u>

The financial statements were approved by the Board of Governors and authorised for issue on 9 March 2024 and were signed on its behalf by:

  
.....  
J M Fenn - Governor

**Registered Company number**  
00624273 (England and Wales)

**BETHANY SCHOOL**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>373,244</u>	<u>1,591,485</u>
Net cash provided by operating activities		<u>373,244</u>	<u>1,591,485</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(33,570)	-
Purchase of tangible fixed assets		(1,656,849)	(463,306)
Sale of tangible fixed assets		9,750	-
Sale of fixed asset investments		2,479	2,774
Income from investment property		-	36,500
Interest received		49,365	6,614
Dividends received		<u>34,688</u>	<u>29,897</u>
Net cash used in investing activities		<u>(1,594,137)</u>	<u>(387,521)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(175,020)	(166,961)
Income attributable to endowment		22,844	10,642
Expenditure attributable to endowment		<u>(22,136)</u>	<u>(22,388)</u>
Net cash used in financing activities		<u>(174,312)</u>	<u>(178,707)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		(1,395,205)	1,025,257
<b>Cash and cash equivalents at the beginning of the reporting period</b>			
		<u>5,293,034</u>	<u>4,267,777</u>
<b>Cash and cash equivalents at the end of the reporting period</b>			
		<u><u>3,897,829</u></u>	<u><u>5,293,034</u></u>

The notes form part of these financial statements

BETHANY SCHOOL

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2023

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(367,314)	521,176
<b>Adjustments for:</b>		
Depreciation charges	451,414	436,654
Losses on investments	49,971	82,044
(Profit)/loss on disposal of fixed assets	(9,750)	20,758
Interest received	(49,365)	(6,614)
Dividends received	(34,688)	(29,897)
Income attributable to endowment	(22,844)	(10,642)
Expenditure attributable to endowment	22,136	22,388
Income from investment property	-	(36,500)
Increase in debtors	(1,929,634)	(102,114)
Increase in creditors	<u>2,263,318</u>	<u>694,232</u>
<b>Net cash provided by operations</b>	<u><u>373,244</u></u>	<u><u>1,591,485</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
<b>Net cash</b>			
Cash at bank	<u>5,293,034</u>	<u>(1,395,205)</u>	<u>3,897,829</u>
	<u>5,293,034</u>	<u>(1,395,205)</u>	<u>3,897,829</u>

## BETHANY SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

#### 1. 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.

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, 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 2023, 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.

##### **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.

## BETHANY SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2023

#### 2. ACCOUNTING POLICIES - continued

##### Tangible fixed assets and depreciation

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.

##### 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.

##### 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.

##### 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.

##### 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 2023

#### 2. ACCOUNTING POLICIES - continued

##### Donations of goods, services and facilities

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.

##### 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.

##### 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.

##### 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.

#### 3. DONATIONS AND LEGACIES

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Donations	38,396	-	216,878	-	255,274	235,565
	<u>38,396</u>	<u>-</u>	<u>216,878</u>	<u>-</u>	<u>255,274</u>	<u>235,565</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023

4. CHARITABLE ACTIVITIES

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
School fees	8,241,285	-	-	-	8,241,285	8,265,378
Registration fees	15,184	-	-	-	15,184	15,100
Bursaries and scholarships	(748,514)	(11,845)	-	-	(760,359)	(818,230)
Hardship discount	-	(116,471)	-	-	(116,471)	(43,195)
Transport income	209,065	-	-	-	209,065	171,531
	<u>7,717,020</u>	<u>(128,316)</u>	<u>-</u>	<u>-</u>	<u>7,588,704</u>	<u>7,590,584</u>

5. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Rental income	161,755	-	-	-	161,755	128,055
	<u>161,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,755</u>	<u>128,055</u>

6. INVESTMENT INCOME

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Income from listed investments	-	34,688	-	-	34,688	29,897
Income from investment property	-	-	-	-	-	36,500
Interest received	49,365	-	-	-	49,365	6,614
	<u>49,365</u>	<u>34,688</u>	<u>-</u>	<u>-</u>	<u>84,053</u>	<u>73,011</u>

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023

7. EXPENDITURE

	Staff Costs	Depreciation	Other Costs	Total 2023	Total 2022
	£	£	£	£	£
<b>Raising funds</b>					
Investment management fees	-	-	2,512	2,512	2,765
<b>Total costs of raising funds</b>	<b>-</b>	<b>-</b>	<b>2,512</b>	<b>2,512</b>	<b>2,765</b>
<b>Charitable activities</b>					
<b>Education</b>					
Teaching costs	2,739,766	19,623	419,011	3,178,400	3,007,157
Welfare costs	288,338	-	707,493	995,831	827,700
Premises costs	791,499	431,792	1,505,932	2,729,223	2,432,335
Support costs	786,829	-	689,184	1,476,013	1,138,178
Finance costs	-	-	36,616	36,616	15,784
Governance costs	-	-	26,311	26,311	29,265
(Profit)/Loss on disposal of tangible fixed asset	-	-	(9,750)	(9,750)	20,758
<b>Total charitable activities</b>	<b>4,606,432</b>	<b>451,415</b>	<b>3,374,797</b>	<b>8,432,644</b>	<b>7,471,177</b>
<b>Total expenditure</b>	<b>4,606,432</b>	<b>451,415</b>	<b>3,377,309</b>	<b>8,435,156</b>	<b>7,473,942</b>

Governance costs include payments of £15,000 (2022: £12,900) for audit fees and payments of £990 (2022: £900) for other non-audit services.

Net income is stated after charging £57,265 (2022: £56,414) to operating lease rentals included within premises costs, £53,889 (2022: £51,498) to operating lease rentals included within teaching and support costs and interest charged on bank loans of £28,871 (2022: £13,290) included within finance costs.

Of costs relating to raising funds, £2,512 (2022: £2,765) relates to the designated fund. Of costs relating to charitable activities, £19,623 (2022: £19,623) relates to the designated fund.

8. SUPPORT COSTS

	2023	2022
	£	£
Support staff costs	786,829	681,673
Marketing costs	109,316	112,210
Computer costs	96,018	12,962
Post & stationery	28,541	24,665
Staff welfare & other staff costs	103,906	57,182
Staff recruitment	68,022	34,039
Telephone	16,315	14,872
Overseas recruitment & commission	96,597	81,604
Professional fees	14,330	44,555
Travel & subsistence	4,495	282
Subscriptions	32,140	12,031
Miscellaneous costs	119,504	62,103
<b>TOTAL</b>	<b>1,476,013</b>	<b>1,138,178</b>

**BETHANY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023**

**9. GOVERNORS' REMUNERATION AND BENEFITS**

None of the Governors (or any persons connected with them) received any remuneration during this year or the prior year.

**Governors' expenses**

One of the Governors was reimbursed a total of £121 for travelling expenses (2022: two were reimbursed a total of £515 for travelling expenses).

No amounts were due to or from Governors at the balance sheet date (2022: £nil).

**10. STAFF COSTS**

	2023	2022
	£	£
Wages and salaries	3,661,203	3,330,014
Social security costs	346,210	348,703
Other pension costs	599,019	555,826
	<u>4,606,432</u>	<u>4,234,543</u>

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

	2023	2022
Teaching	45	45
Administration	35	31
Welfare and premises	49	42
	<u>129</u>	<u>118</u>

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

	2023	2022
£60,001 - £70,000	-	2
£70,001 - £80,000	3	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>4</u>	<u>3</u>

Contributions totalling £75,236 (2022: £62,105) 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 £552,065 (2022: £499,243).

BETHANY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 AUGUST 2022

	Unrestricted fund £	Designated fund £	Restricted fund £	Endowment funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	8,944	-	226,621	-	235,565
Gift Aid	-	-	49,947	-	49,947
Charitable activities	7,653,034	(43,195)	-	(19,255)	7,590,584
Other trading activities	128,055	-	-	-	128,055
Investment income	43,114	-	-	29,897	73,011
<b>Total</b>	7,833,147	(43,195)	276,568	10,642	8,077,162
<b>EXPENDITURE ON</b>					
Raising funds	-	-	-	2,765	2,765
Charitable activities	7,451,554	-	-	19,623	7,471,177
<b>Total</b>	7,451,554	-	-	22,388	7,473,942
Net gains on investments	50,000	-	-	(132,044)	(82,044)
<b>NET INCOME/(EXPENDITURE)</b>	431,593	(43,195)	276,568	(143,790)	521,176
<b>Transfer between funds</b>	-	2,720,701	-	(2,720,701)	-
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>	12,938,226	315,205	197,022	2,865,838	16,316,291
<b>TOTAL FUNDS CARRIED FORWARD</b>	13,369,819	2,992,711	473,590	1,347	16,837,467

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. INTANGIBLE FIXED ASSETS

	Development costs £
<b>COST</b>	
Additions	33,570
<b>NET BOOK VALUE</b>	
At 31 August 2023	33,570
At 31 August 2022	-

Intangible assets relate to website development. This is not yet being amortised as the website is still in development.

**BETHANY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023**

**14. TANGIBLE FIXED ASSETS**

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Assets under construction £	Totals £
<b>COST</b>					
At 1 September 2022	16,508,911	706,522	79,583	522,577	17,817,593
Additions	7,134	109,467	107,250	1,432,998	1,656,849
Disposals	-	-	(10,800)	-	(10,800)
At 31 August 2023	<u>16,516,045</u>	<u>815,989</u>	<u>176,033</u>	<u>1,955,575</u>	<u>19,463,642</u>
<b>DEPRECIATION</b>					
At 1 September 2022	4,633,967	494,021	42,979	-	5,170,967
Charge for year	342,609	84,353	24,452	-	451,414
Eliminated on disposal	-	-	(10,800)	-	(10,800)
At 31 August 2023	<u>4,976,576</u>	<u>578,374</u>	<u>56,631</u>	<u>-</u>	<u>5,611,581</u>
<b>NET BOOK VALUE</b>					
At 31 August 2023	<u>11,539,469</u>	<u>237,615</u>	<u>119,402</u>	<u>1,955,575</u>	<u>13,852,061</u>
At 31 August 2022	<u>11,874,944</u>	<u>212,501</u>	<u>36,604</u>	<u>522,577</u>	<u>12,646,626</u>

Included within land and buildings is freehold land of £1,591,176 (2022: £1,591,176) which is not depreciated.

**15. FIXED ASSET INVESTMENTS**

	Managed investments £
<b>MARKET VALUE</b>	
At 1 September 2022	1,303,321
Disposals	(2,342)
Revaluations	<u>(50,107)</u>
At 31 August 2023	<u>1,250,872</u>
<b>NET BOOK VALUE</b>	
At 31 August 2023	<u>1,250,872</u>
At 31 August 2022	<u>1,303,321</u>
Historical cost:	
At 31 August 2023	<u>1,203,027</u>
At 31 August 2022	<u>1,205,369</u>

The loss on investments shown within the Statement of Financial Activities of £49,971 (2022: £132,044) comprises a realised gain of £136 (2022: £318) on investments sold during the year, and an unrealised loss of £50,107 (2022: £132,362) on investments held at the year end.

As at 31 August 2023, the following investments represented over 5% of the portfolio market value:

Rathbone Unit Trust Mgmt - Core Investment Fund for Charities 1,250,872 - 100%

**BETHANY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023**

**16. INVESTMENT PROPERTY**

	£
<b>FAIR VALUE</b>	
At 1 September 2022 and 31 August 2023	<u>650,000</u>
<b>NET BOOK VALUE</b>	
At 31 August 2023	<u>650,000</u>
At 31 August 2022	<u>650,000</u>

**17. STOCKS**

	2023	2022
	£	£
Stocks	<u>13,750</u>	<u>13,750</u>

**18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade debtors	1,941,352	152,424
Other debtors	34,645	17,652
Accrued income	129,850	45,648
Prepayments	<u>93,540</u>	<u>54,029</u>
	<u>2,199,387</u>	<u>269,753</u>

Trade debtors have increased due to Autumn 2023 invoices being raised in the year. As these fees relate to the Autumn 2023 term fees, the fees have been deferred meaning there is a corresponding increased in deferred income in note 20.

**19. CASH AT BANK**

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
Operational cash	3,088,062	799,021	-	1,347	3,888,430	5,284,743
Managed investment cash	-	9,399	-	-	9,399	8,291
	<u>3,088,062</u>	<u>808,420</u>	<u>-</u>	<u>1,347</u>	<u>3,897,829</u>	<u>5,293,034</u>

**BETHANY SCHOOL****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023****20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Bank loans and overdrafts (see note 23)	180,000	180,000
Trade creditors	656,267	178,044
Social security and other taxes	87,018	124,767
Deferred income	3,094,622	1,369,845
Accrued expenses	<u>979,575</u>	<u>881,508</u>
	<u>4,997,482</u>	<u>2,734,164</u>

Fees in advance represent fees due for the Michaelmas term 2023 and are analysed below in note 21.

Included in accrued expenses is a provision of £21,266 (2022: £21,266) relating to the expected costs resulting from the outcome of the 'Harpur Trust v Brazel' case. The School has assessed their liability in relation to employee underpayments and this has been provided for accordingly in the financial statements.

**21. FEES IN ADVANCE**

	£
Balance at 1 September 2022	1,369,845
Fees released during the year	(1,369,845)
Fees deferred during the year	<u>3,094,622</u>
Balance at 31 August 2023	<u>3,094,622</u>

**22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023	2022
	£	£
Bank loans (see note 23)	<u>429,834</u>	<u>604,853</u>

**23. LOANS**

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
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>249,834</u>	<u>424,853</u>

The bank loans are secured by a fixed charge over certain freehold properties. At the year end this charge amounted to 26% (2022: 33%) of the cost of the freehold properties.

Details of the bank loans are as follows:

Loan - £609,834 - interest charged at 1.15% above base, repayable by 31/01/2027.

**BETHANY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023**

**24. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	100,319	83,054
Between one and five years	85,640	62,728
In more than five years	<u>98,103</u>	<u>111,341</u>
	<u>284,062</u>	<u>257,123</u>

**25. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted fund £	Designated fund £	Restricted fund £
Fixed assets	13,117,946	767,685	-
Investments	650,000	1,250,872	-
Current assets	5,301,199	808,420	-
Current liabilities	(4,997,482)	-	-
Long term liabilities	<u>(429,834)</u>	<u>-</u>	<u>-</u>
	<u>13,641,829</u>	<u>2,826,977</u>	<u>-</u>

	Endowment funds £	2023 Total funds £	2022 Total funds £
Fixed assets	-	13,885,631	12,646,626
Investments	-	1,900,872	1,953,321
Current assets	1,347	6,110,966	5,576,537
Current liabilities	-	(4,997,482)	(2,734,164)
Long term liabilities	<u>-</u>	<u>(429,834)</u>	<u>(604,853)</u>
	<u>1,347</u>	<u>16,470,153</u>	<u>16,837,467</u>

**26. 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 2022 £	Income £	Expenditure £	Balance at 31 August 2023 £
Special projects	150,000	-	-	150,000
Hardship fund	122,010	-	116,471	5,539
Christopher Jackson fund	2,720,701	46,688	95,951	2,671,438
	<u>2,992,711</u>	<u>46,688</u>	<u>212,422</u>	<u>2,826,977</u>

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.

**BETHANY SCHOOL****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023****26. DESIGNATED FUNDS - continued**

The income in the Christopher Jackson fund represents the school's dividend and interest income of £34,688 (2022: £29,897) for investments held as part of the endowment fund, bursaries and scholarships of (£11,844) (2022: (£19,255)). The expenditure in the fund comprises £2,512 (2022: £2,765) of investment management fees, £nil (2022: £nil) of property costs and £19,623 (2022: £19,623) of depreciation.

**27. 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 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2023 £
Performing Arts Centre	473,590	244,905	-	(718,495)	-
	<u>473,590</u>	<u>244,905</u>	<u>-</u>	<u>(718,495)</u>	<u>-</u>

The Performing Arts Centre fund relates to donations specifically donated to fund the construction of the Performing Arts Centre. The funds were utilised in the year against the ongoing build cost of the Performing Arts Centre.

**28. 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 2022 £	Income £	Expenditure £	Balance at 31 August 2023 £
<b>Permanent endowments</b>				
Jane Tomkinson	1,347	-	-	1,347
<b>Expendable endowments</b>				
	<u>1,347</u>	<u>-</u>	<u>-</u>	<u>1,347</u>

The permanent endowment funds comprise the Jane Tomkinson Art Bursary.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023**

**29. EMPLOYEE BENEFIT OBLIGATIONS**

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 £455,095 (2022: £436,668) and at the year-end £52,893 (2022: £51,137) 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.

On 31 March 2024, the School has withdrawn from the Teachers' Pension Scheme ("the TPS") and all teachers will now be in a defined contribution scheme.

## BETHANY SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2023

#### 30. CAPITAL COMMITMENTS

At the balance sheet date, the school had capital commitments in respect of the Performing Arts Centre totalling £5,040,425 and capital commitments in respect of the demolition of the Pengeley building totalling £103,000.

#### 31. RELATED PARTY DISCLOSURES

Total donations received from related parties during the year ended 31 August 2023 amounted to £1,350 (2022: £24,800).

During the year under review, £33,600 (2022: £32,641) 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 2023, the School owed the company £nil (2022: £4,200).

During the year under review, £7,000 (2022: £nil) was received from a Governor in respect of rental income for a property owned by the School. The rent was charged at market rates. As at 31 August 2023, no monies were owed to the School.

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

#### 32. POST BALANCE SHEET EVENTS

The School disposed of the Rathbones investment portfolio on 1 December 2023 for proceeds of £1,258,561. The proceeds from sale will be used to fund the Performing Arts Centre project.

Since the year end, the School has taken out two loans. The first loan is a bridging loan of £1.1 million which will be repaid upon the sale of the Music School. The second loan amounts to £3.61 million over a 25 year term which will be used to fund the Performing Arts Centre build.

#### 33. 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.

## Document Activity Report

**Document Sent**

Tue, 07 May 2024 14:51:52 GMT

### Document Activity History

Document history shows most recent activity first

**Date**

**Activity**

You can verify that this is a genuine Portal document by uploading it to the following secure web page:

<http://tcgroup.accountantspace.co.uk/messages/VerifyDocument>