

Financial Statements

Durlston Court School Trust Limited

For the Year Ended 31 August 2020

Saffery Champness
CHARTERED ACCOUNTANTS

Charity no. 307325
Company no. 1091930

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Report of the Governors

The Governors are pleased to present their report together with the audited financial statements for the year ended 31 August 2020.

Reference and administrative details of the Charity, its Trustees and Advisors

Durlston Court School Trust Limited ("The Charity") was registered with the Charity Commission in 1973 under charity number 307325. The Charity was incorporated under company number 1091930 on 23 January 1973.

Registered office

Durlston Court School, Becton Lane, Barton-on-Sea, New Milton, Hampshire, BH25 7AQ.

Governors

The Governors who have served during the period, to the date of this report were as follows:

Mr C C Ashfield (Chairman)
Mrs A Bolam
Mr M G Cooke
Mr P Etheridge
Mr P Hardy
Dr J Hickey
Mrs N James
Mr C G Lewis (Deputy Chairman)
Mrs L Otten – elected 9th March 2020
Mr R Porter
Mr R Wilsher

Senior officers

Mr R P May (Headmaster)
Mr A R Thomas (Bursar and Clerk to the Governors)

Bankers

Barclays Bank plc, Barclays House, Ocean Way, Southampton, SO14 2ZP

Auditors

Saffery Champness LLP, Midland House, 2 Poole Road, Bournemouth, Dorset, BH12 5QY

Solicitors

Wilson's, Alexandra House, St Johns Street, Salisbury, Wiltshire, SP1 2SB

Surveyors

Cluttons, Portman House, 2 Portman Street, London, W1H 6DU

Internet website address: www.durlstoncourt.co.uk

Structure, Governance and Management

The Charity's Governing Document is its Memorandum and Articles of Association, dated 23 January 1973 (and last amended 7 November 2006). It is a company limited by guarantee, having no share capital, and its members undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up.

The Governors are the Charity's trustees and directors and are also collectively referred to in this report as the Governing Body. The number of Governors must not be less than seven or more than thirty. New Governors are appointed by the Governing Body, after careful consideration of eligibility, skills and experience. Suitable candidates may be identified through internal recommendation or external search. New Governors become familiar with the constitution and operation of the Charity through a structured range of induction initiatives. The Charity is a member of AGBIS which provides access to training opportunities for Governors.

The Governors are responsible for the overall management of the Charity which includes determining strategy, establishing key policies, setting aims and objectives, agreeing budgets and longer term plans, reviewing actual performance against objectives and ensuring compliance with relevant statutes and regulations. The Governing Body meets at least three times each year and is supported by four Committees, each of which is chaired by a Governor, covering Finance & General Purposes, Education, Marketing and Risk Management.

The day-to-day management and related decisions, within the policies and parameters determined by the Governors, are delegated to the Headmaster and Bursar who attend the meetings of the Governors and the Committees.

Objectives and Activities

The principal objects for which the Charity was established, as set out in its Governing Document, are to promote and provide for the advancement of education, through the operation of a school or schools.

The principal activity of the Charity is the operation of Durlston Court School, an independent, co-educational preparatory school. Pupils are aged between two and thirteen years.

The principal aim of the school is to provide a happy, secure environment where pupils benefit from an education of the highest quality, to prepare pupils academically, culturally and morally to enable them to progress confidently to the next stage of their education.

The main objectives for the year ended 31 August 2020 related to the quality of the education provided, the award of scholarships and means-tested bursaries, the Charity's involvement with the local community and the Charity's financial position.

The Governors seek to achieve these objectives primarily through effective leadership, a clear commitment to the highest standards of education, service, and financial control.

Strategic Report

Achievements and Performance

During the year under review the Charity achieved its main objectives through effective leadership, a clear commitment to high standards, and strong fiscal control. An inspection by the Independent Schools Inspectorate (ISI), which took place in May 2017 rated the school's provision as 'Excellent' in all areas.

The year was particularly challenging due to the impact of the Covid 19 pandemic, and the mandatory lockdown during most of the Summer Term. However, the school continued to deliver a high quality

education for its pupils, with the main factors affecting the Charity's continued ability to achieve its objectives being the maintenance of high standards of education and service, attracting and retaining pupils, the effectiveness of management and financial control. The key factors outside the Charity's control that influence its ability to achieve its objectives are the ongoing Covid 19 pandemic, uncertainty of the economic conditions, local competition, new legislation and demographic change.

Academic standards

Durlston Court pupils continue to achieve great academic success. Year 8 leavers secured places at a number of prestigious senior schools throughout the country, including Bradfield, Canford, Dauntsey's, Downe House, Marlborough, Millfield and King Edward VI, as well as other local independent schools. A large number of different scholarships were awarded to Durlston pupils by these schools: academic, dramatic, sporting and artistic; all testament to the superb all round education and the extraordinarily high standard of teaching the pupils enjoy at Durlston Court.

Improvements to the site and facilities

Over the last few years, the school has substantially improved facilities for the benefit of pupils, staff and parents, with a new Design and Technology facility, the conversion of ground floor accommodation within the main school building to create the 'Drawing Room', a hospitality area which has enhanced the already strong family feel of the school and a new Ceramics Studio for pottery and other hand crafts.

In 2019-20 significant upgrades and refurbishment continued throughout the school. This included upgrades to the Pre-Prep building and external play equipment, and a new minibus was purchased as part of the regular process of maintaining and upgrading the fleet. Investments were also made in catering and ground equipment. Repairs to the School were undertaken in line with the ongoing Maintenance Programme, with additional expenditure required to support effective operation of the school during the Covid 19 pandemic, supporting compliance with relevant operating regulations. Further investment was made to the IT infrastructure - including the continued rollout of Chromebooks for the Google Classroom initiative. This investment in recent years proved invaluable when pupils were required to be taught remotely at home during the Covid lockdown. Total capital expenditure in the year amounted to £68,815.

Pupil numbers

Pupil numbers of 271 in July 2020 (267 in July 2019) were in line with objectives.

Bursaries and scholarships

Scholarships were awarded in recognition of academic, sporting or musical excellence. Means-tested bursaries are awarded in appropriate circumstances. In 2020, a new Transformational Bursary was introduced offering the opportunity for a local child to attend Durlston Court at a substantially reduced fee level. During the year, all eligible requests for means-tested bursarial assistance were met by the Charity.

Involvement with the local community

The school has been hugely supportive of the community in the past year. The Charity has regularly provided minibuses and drivers to local primary schools, to enable their pupils to go on educational trips and visits, plus attend Durlston hosted activities. In addition, 55 local primary school children attended a football tournament in the Autumn, and the 'Teddy Bears' Picnic, using Durlston's Forest School and specialist staff, was hosted and attended by 30 local pre-school families. The school also hosted music sessions 'Bing Bang Bong' for 15 local pre-schoolers, a community pottery event for 8 local adults and a carol service for the local Rotary Club.

Over the last 18 months, the school has focused on expanding its provision of activities during school holidays for both Durlston Court pupils and other local children. This not only provides the opportunity for children to benefit from the use of Durlston Court's extensive facilities from a full program of activities, but also supports the childcare needs of parents in the holidays, particularly if they are working.

Financial objectives

Net outgoing resources of £45,489 for the year were in line with expectations, with a positive net current asset position of £123,827.

Financial Review

The financial results for the year are presented in the Statement of Financial Activities on page 15.

Net outgoing resources have been applied to financing the Capital Development and Maintenance Programme and mortgage repayments. Net school fees amounting to £2,408,872 represented 81.2% of total income, and the operating costs of the school of £2,850,688 represented 94.6% of total expenditure.

Reserves Policy

The aim is to ensure that unrestricted reserves should be sufficient to avoid the necessity of realising fixed assets held for the Charity's use and to ensure that net current assets are equivalent to at least 10% of the average annual expenditure (less depreciation) of the previous two years. It continues to be a priority of the Governors to maintain current assets at least equal to current liabilities and reserves at the desired level. The level of reserves is reviewed by the Governors annually, and following the substantial increase in Teachers Pension Costs in 2019/20 impacting outgoing resources, the School decided to leave the scheme on 31st August 2020 and start a new defined contribution scheme which will help reduce pension costs and therefore support reserves.

In December 2004 the freehold of the estate previously leased by the Charity, was acquired. The associated financing costs and the need for investment in previously rented buildings and grounds, continues to impact on the Charity's ability to build reserves in the short term. However, in the long term the Governors believe that substantial benefits will continue to accrue to the Charity from owning the site.

Remuneration Policy

The key management personnel of the school are the Senior Leadership Team, consisting of the Headmaster, Deputy Head, Director of Learning and Head of PrePrep, Head of Senior School and Bursar. The remuneration of the Head and Bursar are set by the Remuneration Committee consisting of the Chair and Vice Chair of Governors.

Plans for Future Periods

The Charity has a 5 Year Plan which sets out the key strategic objectives for the period to 31 August 2025. The Governors have set these objectives with regard to the Charity Commission guidance on public benefit. The key elements of the Charity's strategy are the continued provision of a high standard of all-round education, financial security and the maximisation of the public benefit provided by the Charity.

The Charity's Capital Development Plan sets out expenditure on key facilities during this 5-year period, with priorities being re-assessed on an ongoing basis. With support from a local architect and a building consultant in 2014-15, the school prepared a site masterplan for the optimisation of school grounds and buildings. In line with this masterplan, there have been many improvements to the school site over the last few years including the construction of a new Design and Technology facility, the building of a lobby and garden patio area for Art, the creation of a dedicated Ceramics Studio, the installation of two new all-weather sports courts, enhancements to the Swimming Pool area, improved parking arrangements for staff and parents, conversion of main school accommodation for teaching and hospitality, and enlarged playground space for pupils. Further expansion and investment in facilities is being considered as part of this site optimisation initiative.

Principal Risks and Uncertainties:

The role of the Risk Management Committee is to identify, assess and prioritise the major risks to which the Charity is exposed, and to ensure that these are appropriately managed. Risk Management

information is reviewed at each meeting of the Governing Body, with risks being assessed based on how likely a risk is to occur, and the impact on the school if it were to occur. The major risks identified being the impact of the Covid pandemic, economic climate uncertainty, changes to the regulatory, legislative and inspection regime, site and network security, ongoing local competition and incidents involving pupils and/or staff. To mitigate these risks, among other actions, the Governors ensure sufficient financial reserves are maintained, develop and implement an effective marketing plan, seek external legal and regulatory advice, and ensure appropriate risk assessments are in place.

Public Benefit Statement

In considering its future strategy, aims and objectives, the Governors have given due regard to the Charity Commission's guidance on Public Benefit in accordance with Section 4 of the Charities Act 2011.

Statement of Governors' responsibilities for the financial statements

The Governors (who are also directors of Durlston Court School Trust Limited 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 regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors confirm that:

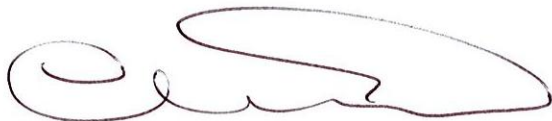
- so far as each Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Saffery Champness LLP, who were appointed in 2013, have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE GOVERNING BODY, ALSO APPROVING THE STRATEGIC REPORT
IN THEIR CAPACITY AS DIRECTORS

A handwritten signature in black ink, appearing to read 'C C Ashfield', written in a cursive style.

C C Ashfield - Chairman of Governors
24th November 2020

Independent auditor's report to the members of Durlston Court School Trust Limited

Opinion

We have audited the financial statements of Durlston Court School Trust Limited for the year ended 31 August 2020 which comprise a statement of financial activities, balance sheet, 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 charitable company's state of affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual 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.

Independent auditor's report to the members of Durlston Court School Trust Limited

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.

Opinion 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 Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also 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 trustees 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 trustees 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Independent auditor's report to the members of Durlston Court School Trust Limited

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.



Nicholas Fernyhough (Senior Statutory Auditor)
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Midland House
Statutory Auditors
2 Poole Road
Bournemouth
BH2 5QY

November 2020

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Basis of preparation

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (“SORP (FRS102)”) and Financial Reporting Standard 102. The accounts are drawn up on the historical cost basis of accounting. The School is a Public Benefit Entity as defined by FRS102.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School’s future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School’s financial statements.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, Bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from bank balances and savings accounts are accounted for on an accruals basis.

1.3 Donations and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School’s general purposes is accounted for as unrestricted and is credited to the General Reserve.

1.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

1.5 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £250 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

1.6 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

School buildings, including major extensions	40 - 50 years
Alterations on change of use and minor extensions	10 - 25 years
Furniture, machinery and equipment	5 years
Motor vehicles	5 years

No depreciation is provided on freehold land. Periodic impairment reviews are carried out.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.8 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

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

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

1.9 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.
- (b) The Peoples Pension - Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.
- (c) Pensions Trust Scheme - The costs relating to this scheme are outlined in note 17

1.10 Debtors

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

1.11 Cash at bank and in hand

Cash at bank and cash 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.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity 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.

1.13 Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. 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.

Statement of financial activities

		Unrestricted Funds	
	Note	2020 £	2019 £
Incoming resources			
Incoming resources from charitable activities	1	2,522,838	2,935,312
Government Furlough Grant		405,588	-
Incoming resources from generated funds:			
Voluntary income	2	21,025	6,072
Investment income	3	10,188	2,589
Other incoming resources		8,649	11,493
Total incoming resources		2,968,288	2,955,466
Resources expended			
Costs of generating funds		107,781	107,804
Charitable activities		2,850,688	2,858,178
Other resources expended	4	55,077	59,760
Total resources expended	5	3,013,546	3,025,742
Net (Expenditure)		(45,258)	(70,276)
Actuarial (Loss)/Gain on Defined Benefit Pension Schemes		(231)	19,745
Movements in funds		(45,489)	(50,531)
Total funds brought forward at 1 September 2019		2,502,624	2,553,155
Total funds carried forward at 31 August 2020		2,457,135	2,502,624


All amounts derive from continuing activities.


The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

Company number 1091930	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	8		3,418,848		3,475,534
Current assets					
Stocks	9	1,242		2,578	
Debtors	10	239,942		135,050	
Cash at bank and in hand		345,034		618,149	
		<u>586,218</u>		<u>755,777</u>	
Liabilities					
Creditors: amounts falling due within one year	11	(462,391)		(539,979)	
Net current assets			<u>123,827</u>		<u>215,798</u>
Total assets less current liabilities			<u>3,542,675</u>		<u>3,691,332</u>
Creditors: amounts falling due after more than one year	12		(1,063,104)		(1,163,352)
Provision for Pension	17		(22,436)		(25,356)
Net assets			<u><u>2,457,135</u></u>		<u><u>2,502,624</u></u>
Total charity funds:					
Unrestricted income funds			<u><u>2,457,135</u></u>		<u><u>2,502,624</u></u>

The financial statements were approved by the Governors on 24th November 2020


 Mr C C Ashfield Chairman of Governors


 Mr C G Lewis Chairman of Finance and General Purposes Committee

Cash flow statement

	Note	2020 £	2020 £	2019 £	2019 £
Net cash (outflow) / inflow from operating activities	18		(63,597)		192,734
Returns on investments and servicing of finance					
Interest received		10,188		2,589	
Interest paid		<u>(55,077)</u>		<u>(58,839)</u>	
			(44,889)		(57,171)
Capital expenditure					
Payments to acquire tangible fixed assets			(68,815)		(45,198)
Financing					
Bank loan repayments			(95,814)		(91,720)
Decrease in cash in year	19		<u>(273,115)</u>		<u>(434)</u>

Notes to the financial statements

1 Incoming resources from charitable activities

	2020	2019
	£	£
School fees and associated income:		
Fees receivable	3,348,081	3,280,081
<u>Less: Summer term 2020 Covid fee adjustment</u>	(382,875)	-
<u>Less: Bursaries, scholarships and other discounts</u>	(556,334)	(503,349)
Net fees receivable	<u>2,408,872</u>	<u>2,776,732</u>
Disbursements	87,245	135,832
Extra tuition	23,571	20,612
Entrance fees	3,150	2,136
	<u>2,522,838</u>	<u>2,935,312</u>

2 Voluntary income

	2020	2019
	£	£
Voluntary income		
Donations	<u>21,025</u>	<u>6,072</u>

During the year donations for the purchase of fixed assets amounted to £18,500 (2019: £1,547)

3 Investment income

	2020	2019
	£	£
Investment income		
Bank deposit interest	<u>10,188</u>	<u>2,589</u>

4 Other resources expended

	2020	2019
	£	£
Other resources expended		
Interest payable on bank loan <i>see also note 12</i>	54,844	58,839
Other interest costs	233	921
	<u>55,077</u>	<u>59,760</u>

5 Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	2020 Total £	2019 Total £
Costs of generating funds					
Advertising and publicity	57,888	49,893	-	107,781	107,804
Charitable activities					
School operating costs:					
Teaching and support costs	1,896,517	101,652	-	1,998,169	1,979,336
Catering and support costs	100,191	59,216	-	159,407	172,562
Premises	145,951	164,606	83,362	393,919	398,970
Support and administration	149,939	97,370	42,139	289,448	298,252
Governance costs	-	9,745	-	9,745	9,058
	2,292,598	432,589	125,501	2,850,688	2,858,178
Other resources expended					
Interest payable on bank loan	-	54,844	-	54,844	58,839
Other interest costs	-	233	-	233	921
	-	55,077	-	55,077	59,760
	2,350,486	537,559	125,501	3,013,546	3,025,742

Total resources expended include:

	2020 £	2019 £
Auditors' remuneration for audit services <i>excluding VAT</i>	6,850	6,750
(Decrease)/Increase in Stock	(1,336)	353
Operating lease rentals	7,006	5,603
Professional Indemnity insurance premium	664	651

6 Employees

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,924,244	1,921,683
Social security costs	162,680	162,473
Other pension costs (note 17)	263,562	190,687
	2,350,486	2,274,843

The average number of employees of the Charity during the year was 97 (2019: 99). The average number of full time equivalent employees was 66 (2019: 66)

One employee's emoluments were within the range £90,000 - £100,000 (2019: one employee within the range £90,000-£100,000). The total of key management personnel compensation was £356,033 (2019: £340,294)

Contributions were made to a defined benefits pension scheme in respect of the highest paid employee.

7 Transactions with governors and other related parties

No Governors, received remuneration in the year, directly or indirectly from the Charity. In 2020, the total amount of donations received without conditions from Governors was nil (2019: nil). In 2020 expenses paid on behalf of governors to third parties amounted to £405 (2019: £946) of this expenditure, £405 related to travel. The total number of governors who incurred expenses was 1 (2019:3)

8 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2019	4,601,570	97,307	558,147	335,176	5,592,200
Disposals	-	(2,080)	(105,278)	(73,788)	(181,146)
Additions	40,800	8,500	6,101	13,414	68,815
At 31 August 2020	<u>4,642,370</u>	<u>103,727</u>	<u>458,970</u>	<u>274,802</u>	<u>5,479,869</u>
Depreciation					
At 1 September 2019	1,231,738	87,064	520,416	277,448	2,116,666
Disposals	-	(2,080)	(105,278)	(73,788)	(181,146)
Provided in the year	83,362	5,261	14,605	22,273	125,501
At 31 August 2020	<u>1,315,100</u>	<u>90,245</u>	<u>429,743</u>	<u>225,933</u>	<u>2,061,021</u>
Net book amount At 31 August 2020	<u>3,327,270</u>	<u>13,482</u>	<u>29,227</u>	<u>48,869</u>	<u>3,418,848</u>
Net book amount At 31 August 2019	<u>3,369,832</u>	<u>10,243</u>	<u>37,731</u>	<u>57,728</u>	<u>3,475,534</u>

9 Stocks

	2020 £	2019 £
Catering provisions, merchandise and heating fuel	<u>1,242</u>	<u>2,578</u>

10 Debtors

	2020 £	2019 £
Trade debtors	42,317	25,632
Other debtors	144,280	-
Prepayments and accrued income	53,345	109,418
	<u>239,942</u>	<u>135,050</u>

11 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans	100,248	95,814
Trade creditors	45,245	51,108
Social security and other taxes	36,914	39,436
Other creditors	30,483	24,872
Accruals and deferred income	249,501	328,749
	<u>462,391</u>	<u>539,979</u>

12 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Between one and two years	104,897	100,248
Between two and five years	344,634	329,292
After five years	613,573	733,812
	<u>1,063,104</u>	<u>1,163,352</u>

Creditors: amounts falling due after more than one year comprises a bank loan secured over the freehold property which is repayable by December 2029. The original fixed rate agreement for this loan expired in December 2015, to be replaced by a new fixed rate agreement which expires in December 2024.

13 Liability of members

The Charity does not have any share capital. The members, consisting of the Governors who are also directors, undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up. The Charity has insurance to cover both Professional Indemnity and Governors' Liability. The cover is limited to £1,000,000 (2019: £1,000,000).

14 Leasing commitments

Operating lease payments amounting to £6,402 (2019: £5,603) are due within one year. At 31 August 2020, the charity had aggregate total commitments under non-cancellable operating leases as set out below:

Non-cancellable operating leases which expire:	2020	2019
	£	£
Within 2 to 5 years	<u>12,600</u>	<u>8,405</u>

15 Capital commitments

There were no capital commitments at 31 August 2020 or 31 August 2019.

16 Contingent liabilities

There were no contingent liabilities at 31 August 2020 or 31 August 2019.

17 Pensions

Teachers Pensions

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £241,593 (2019: £175,154), an increase of over £60,000 driven by the contribution changes outlined below.

On 10 March 2015, the Department of Education published the outcome of the consultation on further contributions increases that applied to members of the TPS in financial year 2016-15. A revised eight tier employee contribution rate structure was introduced from 1 April 2015 with employee rates varying between 6.4% and 12.4%. Employer contributions will continue for this period at the current rate of 14.1%. From 1 April 2016 the employee rates have been increased varying from 7.4% to 11.7% and the employer contributions have increased to 16.48%.

On 21 September 2018, the Department of Education published that from 1 September 2019, the employer contribution rate would change. The Government determined that the employer rate would increase to 23.68% of contributory pay (which includes the administration levy of 0.08%) from 16.48%.

The impact of this increase in employer contributions in 2019/20 was over £60,000 versus the prior year costs, and as a result, following extensive consultation with affected participating teaching staff, the School decided to leave the Teachers' Pension Scheme on 31st August 2020 and started a new defined contribution scheme on 1st September 2020.

Other Pension Schemes

Pension contributions are also paid to contributory and non-contributory pension schemes for the benefit of non-teaching staff. Non-teaching staff may contribute to one of two money purchase pension schemes. The assets of these schemes are held separately from those of the school in independently administered funds.

The company participates in a multi-employer scheme which provides benefits to some 102 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at with an effective date of 30 September 2017. This actuarial valuation was certified on 19 December 2018 and showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 Sept 2026: £1,404,638 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2019 to 30 Sept. 2027: £136,701 per annum (payable monthly and increasing by 3% each on 1st April)

The contributions to 30 September 2027 are in respect of those employers that have agreed concessions (both past and present) with the Trustee.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014; this valuation showed assets of £88.2m, liabilities of £122.1m and a deficit of £33.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2016 to 30 Sept 2029: £1,323,116 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 Sept. 2031: £292,376 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 Sept. 2031: £37,475 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of Provision

	2020	2019	2018
	£	£	£
Present value of provision	22,436	25,356	47,947

Reconciliation of opening and closing provisions

	2020	2019
	£	£
Provision at start of period	25,356	47,947
Unwinding of the discount factor (interest expense)	233	921
Deficit contribution paid	(3,384)	(3,767)
Remeasurements - impact of any change in assumptions	231	883
Remeasurements - amendments to the contribution schedule	-	(20,628)
Provision at end of period	22,436	25,356

Income and expenditure impact

	2020	2019
	£	£
Interest expense	233	921
Remeasurements – impact of any change in assumptions	231	883
Remeasurements – amendments to the contribution schedule	-	(20,628)

Assumptions

	2020	2019	2018
	% per annum	% per annum	% per annum
Rate of discount	0.65	0.99	2.00

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

In August 2016, the school started its auto-enrolment pension scheme with The Peoples Pension for the benefit of all non-teaching staff and going forwards this will be the only pension scheme offered.

All pension contribution costs are recognised in the statement of financial activities as they become payable. Amounts owing to pension schemes as at the year-end amounted to £30,484 (2019: £24,828).

18 Reconciliation of net incoming resources to net cash inflow from operating activities

	2020	2019
	£	£
Net (Outgoing) resources	(45,489)	(50,531)
Net interest	44,889	56,250
Depreciation	125,501	136,331
Decrease / (Increase) in stock	1,336	(353)
(Increase) / Decrease in debtors	(104,892)	2,438
(Decrease) / Increase in creditors	(82,022)	71,190
(Decrease) in provision for pension	(2,920)	(22,591)
Net cash (outflow) / inflow from operating activities	<u>(63,597)</u>	<u>192,734</u>

19 Reconciliation of net cash flow to movement in net debt

	2020	2019
	£	£
Decrease in cash	(273,115)	(434)
Bank loan repayments	95,814	91,720
Decrease in net debt	(177,301)	91,286
Net debt at 1 September 2019	(641,017)	(732,303)
Net debt at 31 August 2020	<u>(818,318)</u>	<u>(641,017)</u>

20 Analysis of changes in net debt

	At 31 Aug 2020 £	Cash flow £	At 1 Sep 2019 £
Cash at bank and in hand	345,034	(273,115)	618,149
Bank loan	(1,163,352)	95,814	(1,259,166)
	<u>(818,318)</u>	<u>(177,301)</u>	<u>(641,017)</u>

