

Financial Statements

Durlston Court School Trust Limited

For the Year Ended 31 August 2022

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 2022.

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 – retired 21st March 2022
Mr M G Cooke
Mr P Etheridge
Dr J Hickey
Mrs N James
Mr C G Lewis (Deputy Chairman)
Mrs L Otten
Mr R Porter
Mr R Wilsher

Senior officers

Mr R P May (Headmaster)
Mr B Bates (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, BH2 5QY

Solicitors

Clarke Willmott LLP, Burlington House, Botleigh Grange Business Park, Hedge End, Southampton, SO30 2AF

Website

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 2022 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.

During the year, the school announced that we would be extending our educational provision to include GCSE. The gradual expansion of the school will take place from September 2023 when we begin our first Year 9. The first GCSE examinations will take place in the summer term of 2026. We have received an extremely positive response from both existing and prospective parents and further reinforces our charitable aims to provide an outstanding quality of education to the local community. The school has budgeted for the expansion plans over the medium term and looks forward to welcoming our first Year 9 group in September 2023.

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. A further compliance inspection by the ISI was completed in November 2021, in which the school passed all areas successfully.

Academic standards

Durlston Court pupils continue to achieve great academic and educational success. Year 8 leavers secured places at a number of prestigious senior schools throughout the country, including Ballard, Bryanston, Canford, Dauntsey's, Embley, King Edward VI, Marlborough, Millfield, Talbot Heath, as well as other local schools. A large number of different scholarships were awarded to Durlston pupils by these schools, including: academic, all-rounder, musical and sporting awards, all testament to the superb all-round education and the extraordinarily high standard of teaching and opportunities the pupils enjoy at Durlston Court.

Improvements to the site and facilities

The school continues to invest in the maintenance and improvement of the educational facilities. During the year work has been completed on various classroom refurbishments as well as improving communal areas in the Senior School. Repairs continue to be undertaken in line with the ongoing Maintenance Programme. The school further added to our Chromebook stock, providing all pupils in Year 3 to 8 with their own school device. Total capital expenditure in the year amounted to £15,415.

Pupil numbers

Pupil numbers at year end are 265 (2021: 284) and 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. The Charity was able to offer full financial assistance to Ukrainian refugees to enable their children to benefit from our education provision. During the year, all eligible requests for means-tested bursarial assistance were met by the Charity.

Involvement with the local community

The School has continued to become involved with the local community. This has covered a number of different areas. We have supported events such as the town Remembrance Parade; we have raised funds for, and offered practical support to, local charitable organisations such as the Christchurch Support Kabin and Lymington Food Bank; our minibuses are loaned out to other schools and youth organisations in the area so that these groups can offer more flexibility in their provision; we have laid on extra performances of our plays and concerts for local elderly residents; we have been carol singing round local care homes. In addition, extending access to the Durlston Holiday Activities to all the local community has meant that we are supporting the childcare needs of working parents in the area, not just the parental body of Durlston Court School. In the summer our Big Gig concert raised a substantial amount of money for a local Ukraine appeal and all through the year we have been providing physical goods for the Ukraine through local organisations.

Financial objectives

Net outgoing resources of £178,600 (2021: incoming resource of £54,760) for the year were in line with expectations, resulting in a net current liability position of £54,200 (2021: positive position of £166,719).

Financial Review

The financial results for the year are presented in the Statement of Financial Activities on page 16.

Net resources have been applied to financing the Capital Development and Maintenance Programme and mortgage repayments. Net school fees amounting to £2,620,460 represented 93.3% of total income, and the operating costs of the school of £2,833,498 represented 94.4% of total expenditure.

Reserves Policy

The Governing Body has a long standing policy to build sufficient reserves to enable the ongoing activities of the School to be maintained. The general aim is to ensure an adequate surplus is achieved each year. At year end the school had unrestricted funds of £2,333,295 (2021: £2,511,895). The level of reserves is reviewed by the Governors annually. The free reserves after excluding fixed assets and related liabilities are £52,232 (2021: £252,611).

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 Teaching & Learning, Head of Pre-Prep, 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

Further to the announcement that the School will be expanding the education provision to include GCSE, this will now become the key strategic objective for the period to August 2026, at which time the first GCSE examinations will have taken place.

The key elements of the Charity's strategy include the planning and development relating to the provision of new educational facilities for approximately 120 additional pupils. The school will engage with architects and builders to prepare a plan for the delivery of 6 additional classrooms.

The school will also maintain our focus on the continued provision of a high standard of all-round education for all our pupils from Kindergarten to Year 8, financial security and the maximisation of the public benefit provided by the Charity.

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



C C Ashfield - Chairman of Governors
22nd November 2022

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 2022 which comprise a statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including 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 2021 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

In auditing the financial statements, we have concluded that the trustees' 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 trustees with respect to going concern are described in the relevant sections of this report.

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.

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 course of 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.

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

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 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 has 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.

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 regulations made under 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

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

irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Further, the charity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charity's operations. We identified the most significant laws and regulations to be those monitored by the Independent Schools Inspectorate.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery Champness LLP

.....
Nicholas Fernyhough (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

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

Date: **8 February 2023**

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
- Computer equipment 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, one defined benefit and two defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) Royal London Pension – This scheme is the nominated pension schemes for teachers employed by the school. Employer's pension costs 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.

1.14 Critical estimates and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2022 or 2021.

Statement of financial activities (including income and expenditure account)

		Unrestricted Funds	
	Note	2022	2021
		£	£
Incoming resources			
Incoming resources from charitable activities	1	2,793,973	2,771,090
Government Furlough Grant		-	302,382
Incoming resources from generated funds:			
Voluntary income	2	815	3,056
Investment income	3	527	1,015
Other incoming resources		12,239	14,433
Total incoming resources		2,807,554	3,091,976
Resources expended			
Costs of generating funds		123,404	111,311
Charitable activities		2,830,373	2,875,647
Other resources expended	4	44,021	50,335
Total resources expended	5	2,997,798	3,037,293
Net (Expenditure) / Income		(190,244)	54,683
Actuarial Gain on Defined Benefit Pension Schemes		11,644	77
Movements in funds		(178,600)	54,760
Total funds brought forward at 1 September 2021		2,511,895	2,457,135
Total funds carried forward at 31 August 2022		2,333,295	2,511,895

All amounts derive from continuing activities.

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

Balance sheet

Company number 1091930	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	8		3,237,583		3,322,387
Current assets					
Stocks	9	2,768		2,055	
Debtors	10	94,691		125,322	
Cash at bank and in hand		299,425		549,053	
		<u>396,884</u>		<u>676,430</u>	
Liabilities					
Creditors: amounts falling due within one year	11	(451,088)		(509,711)	
Net current (liabilities)/ assets			<u>(54,204)</u>	<u>166,719</u>	
Total assets less current liabilities			<u>3,183,379</u>	<u>3,489,106</u>	
Creditors: amounts falling due after more than one year	12		(845,705)	(958,204)	
Provision for Pension	17		(4,379)	(19,007)	
Net assets			<u>2,333,295</u>	<u>2,511,895</u>	
Total charity funds:					
Unrestricted income funds			<u>2,333,295</u>	<u>2,511,895</u>	

The financial statements were approved by the Governors on 22nd November 2022



Mr C C Ashfield Chairman of Governors



Mr C G Lewis Chairman of Finance and General Purposes Committee

Cash flow statement

	Note	2022 £	2022 £	2021 £	2021 £
Net cash (outflow) / inflow from operating activities	18		(84,134)		376,494
Returns on investments and servicing of finance					
Interest received		527		1,015	
Interest paid		<u>(44,021)</u>		<u>(50,335)</u>	
			(43,494)		(49,320)
Capital expenditure					
Payments to acquire tangible fixed assets			(15,417)		(23,656)
Proceeds from sale of property, plant or equipment			-		750
Financing					
Bank loan repayments			(106,583)		(100,249)
(Decrease) / Increase in cash in year	19		<u>(249,628)</u>		<u>204,019</u>
Cash at the beginning of the reporting period			549,053		345,034
Cash at the end of the reporting period			<u>299,425</u>		<u>549,053</u>

Notes to the financial statements

1 Incoming resources from charitable activities

	2022	2021
	£	£
School fees and associated income:		
Fees receivable	3,257,807	3,420,442
<u>Less: Covid fee adjustment</u>	-	(159,810)
<u>Less: Bursaries, scholarships and other discounts</u>	<u>(637,347)</u>	<u>(602,322)</u>
Net fees receivable	2,620,460	2,658,310
Disbursements	129,151	96,265
Extra tuition	42,212	13,265
Entrance fees	2,150	3,250
	<u>2,793,973</u>	<u>2,771,090</u>

2 Voluntary income

	2022	2021
	£	£
Voluntary income		
Donations	<u>815</u>	<u>3,056</u>

3 Investment income

	2022	2021
	£	£
Investment income		
Bank deposit interest	<u>527</u>	<u>1,015</u>

4 Other resources expended

	2022	2021
	£	£
Other resources expended		
Interest payable on bank loan <i>see also note 12</i>	43,880	50,201
Other interest costs	141	134
	<u>44,021</u>	<u>50,335</u>

5 Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	2022 Total £
Costs of generating funds				
Advertising and publicity	66,805	56,599	-	123,404
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Charitable activities				
School operating costs:				
Teaching and support costs	1,792,600	71,498	-	1,864,098
Catering and support costs	182,211	138,405	-	320,616
Premises	75,923	206,620	79,638	362,181
Support and administration	163,558	85,530	20,583	269,671
Governance costs	-	13,807	-	13,807
	<u>2,214,292</u>	<u>515,860</u>	<u>100,221</u>	<u>2,830,373</u>
Other resources expended				
Interest payable on bank loan	-	43,880	-	43,880
Other interest costs	-	141	-	141
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>2,281,097</u>	<u>616,480</u>	<u>100,221</u>	<u>2,997,798</u>

Total resources expended include:

	2022 £	2021 £
Auditors' remuneration for audit services <i>excluding VAT</i>	7,700	7,000
Increase / (Decrease) in Stock	713	813
Operating lease rentals	3,600	6,474
Professional Indemnity insurance premium	582	664
	<u> </u>	<u> </u>

5 Analysis of total resources expended continued

Comparison Figures from 2021 are as follows:

	Staff costs £	Other £	Depreciation £	2021 Total £
Costs of generating funds				
Advertising and publicity	60,026	51,285	-	111,311
Charitable activities				
School operating costs:				
Teaching and support costs	1,767,247	126,231	-	1,893,478
Catering and support costs	101,527	64,800	-	166,327
Premises	124,265	262,614	84,137	471,016
Support and administration	192,693	107,770	35,980	336,443
Governance costs	-	8,383	-	8,383
	2,185,732	569,798	120,117	2,875,647
Other resources expended				
Interest payable on bank loan	-	50,201	-	50,201
Other interest costs	-	134	-	134
	-	50,335	-	50,335
	2,245,758	671,418	120,117	3,037,293

6 Employees

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	1,819,815	1,794,011
Social security costs	154,476	145,875
Other pension costs (note 17)	293,773	287,047
Other staff costs	13,033	18,825
	2,281,097	2,245,758

The average number of employees of the Charity during the year was 94 (2021: 95). The average number of full time equivalent employees was 61 (2021: 64)

One employee's emoluments were within the range £80,000 - £90,000 (2021: one employee within the range £90,000-£100,000). The total of key management personnel compensation was £308,938 (2021: £340,426).

Contributions were made to a defined contribution 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 2022, the total amount of donations received without conditions from Governors was nil (2021: nil). In 2022 expenses paid on behalf of governors to third parties amounted to nil (2021: nil). The total number of governors who incurred expenses was nil (2021: nil). During the year transactions were made for children's activities to a company where a Governor is a Director. Total during 2022 £3,740 (2021: nil).

8 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2021	4,642,370	80,921	472,650	284,778	5,480,719
Additions	-	-	10,070	5,347	15,417
Disposals	-	-	-	-	-
At 31 August 2022	4,642,370	80,921	482,720	290,125	5,496,136
Depreciation					
At 1 September 2021	1,399,237	72,173	442,132	244,790	2,158,332
Provided in the year	79,639	3,761	3,757	13,064	100,221
Disposals	-	-	-	-	-
At 31 August 2022	1,478,876	75,934	445,889	257,854	2,258,553
Net book amount					
At 31 August 2022	<u>3,163,494</u>	<u>4,987</u>	<u>36,831</u>	<u>32,271</u>	<u>3,237,583</u>
Net book amount					
At 31 August 2021	<u>3,243,133</u>	<u>8,748</u>	<u>30,518</u>	<u>39,988</u>	<u>3,322,387</u>

9 Stocks

	2022 £	2021 £
Catering provisions and heating fuel	<u>2,768</u>	<u>2,055</u>

10 Debtors

	2022 £	2021 £
Trade debtors	52,222	18,191
Other debtors	11,762	17,298
Prepayments and accrued income	30,707	89,833
	<u>94,691</u>	<u>125,322</u>

11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	110,815	104,899
Trade creditors	11,899	61,750
Social security and other taxes	38,216	-
Other creditors	1,070	3,850
Accruals and deferred income	289,088	339,212
	<u>451,088</u>	<u>509,711</u>

12 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Between one and two years	116,253	109,765
Between two and five years	414,894	384,084
After five years	314,558	464,355
	<u>845,705</u>	<u>958,204</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 (2021: £1,000,000).

14 Leasing commitments

Operating lease payments amounting to £3,600 (2021: £3,600) are due within one year. At 31 August 2022, the charity had aggregate total commitments under non-cancellable operating leases as set out below:

Non-cancellable operating leases which expire:	2022	2021
	£	£
Within 2 to 5 years	<u>5,400</u>	<u>10,800</u>

15 Capital commitments

There were no capital commitments at 31 August 2022 or 31 August 2021.

16 Contingent liabilities

There were no contingent liabilities at 31 August 2022 or 31 August 2021.

17 Pensions

Teachers Pensions

Pension contributions for teachers are paid to Royal London as part of a Defined Contribution Scheme. The amount paid into the scheme for the year was £256,481 (2021: £251,296).

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 82 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 Charity 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 2020. This actuarial valuation was certified on 21 December 2021 and showed assets of £153.3m, liabilities of £160m and a deficit of £6.7m. 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 2022 to 31 May 2024: £1,507,960 per annum (payable monthly and increasing by 3% each on 1st April)

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 29 February 2028.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

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 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 Charity 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

	2022	2021	2020
	£	£	£
Present value of provision	4,379	19,007	22,436

Reconciliation of opening and closing provisions

	2022	2021
	£	£
Provision at start of period	19,007	22,436
Unwinding of the discount factor (interest expense)	141	134
Deficit contribution paid	(3,125)	(3,486)
Remeasurements - impact of any change in assumptions	(128)	(77)
Remeasurements - amendments to the contribution schedule	(11,516)	-
Provision at end of period	4,379	19,007

Income and expenditure impact

Interest expense	141	134
Remeasurements – impact of any change in assumptions	(128)	(77)
Remeasurements – amendments to the contribution schedule	(11,516)	-

Assumptions

	2022	2021	2020
	% per annum	% per annum	% per annum
Rate of discount	4.35	0.81	0.65

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.

The school is a member of The Peoples Pension scheme as the auto-enrolment pension scheme for the benefit of all non-teaching staff.

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 £49,449 (2021: £39,237).

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

	2022	2021
	£	£
Net (Outgoing) / Incoming resources	(178,600)	54,760
Net interest	43,494	49,320
Depreciation	100,221	120,117
Profit from sale of property, plant or equipment	-	(750)
(Increase) in stock	(713)	(813)
Decrease in debtors	30,631	114,620
(Decrease) / Increase in creditors	(64,539)	42,669
(Decrease) in provision for pension	(14,628)	(3,429)
Net cash (outflow) / inflow from operating activities	<u>(84,134)</u>	<u>376,494</u>

19 Analysis of changes in net debt

	At 31 Aug 2022	Cash flow	At 1 Sep 2021
	£	£	£
Cash at bank and in hand	299,425	(249,628)	549,053
Bank loan	(956,520)	106,583	(1,063,103)
	<u>(657,095)</u>	<u>(143,045)</u>	<u>(514,050)</u>