



**DRAGON SCHOOL TRUST LIMITED**  
**GROUP ACCOUNTS FOR THE YEAR ENDED**  
**31 AUGUST 2023**

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Company number: 524331

Registered charity number: 309676

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**SUMMARY REVIEW BY THE CHAIR OF GOVERNORS AND HEAD**

**Summary Review by the Chair of Governors and Head**

Operationally, this year has been notable for the commencement of the Music & Performing Arts Building Project. With the project having to be placed on hold due to the pandemic, we are delighted to see the progress that has been made in the 12 months of this period. The building is due to be completed in the Summer Term of 2024 and, with almost of our pupils taking part in some form of music and drama, this facility will make an enormous difference to the Dragon's provision.

We are equally as excited by the benefits this new building will have for our social impact programme. We have already seen the joy and shared benefit that music and drama can bring through our existing partnerships with primary schools. This new facility will serve to enhance the wider public benefit that Dragon School can enable. is the social impact that the facility will have.

Other improvements across the estate have included a full refurbishment of 2 of our larger boarding senior houses, Cherwell and Dragon House, and the introduction of a new playground at the Pre-Prep. We are most grateful to the support of our parent community in enabling this project to be delivered over the summer and it has made a wonderful addition to the provision at the Pre-Prep.

We have also made significant inroads into our Net Zero strategy with the replacement of lighting to LED across the School almost complete. The next reporting period will see the installation of solar PV panels at the Prep and Pre-Prep. To further support our ambitions, we now offer electric vehicles to our colleagues through a scheme with Tusker, cycle to work schemes and have improved cycle racks across the school. Following the announcement that the Oxford School Bus Partnership will cease operating in August 2023, we are excited by the launch of our own home to school bus service which we anticipate will continue to grow over the year.

Our aim is to inspire, encourage and develop free-thinking, confident young people who reach for the sun. Positive outcomes for each individual Dragon are central to every decision we take. Importantly, this was recognised by the Independent Schools Inspectorate earlier this year and we were delighted to have this external validation of everything we do.

The pupils roll is strong and there has been a significant uplift in flexi boarding due to a shift in our offering. Our boarding strategy has ensured the Dragon remains the largest boarding community in the Prep Sector.

Highlights for this year include:

- Record number of scholarships to national schools 63 in total
- Welcoming our first Royal Spring Board bursary candidate alongside achieving our target of 25 bursary students in the prep school.

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- Establishing of the Dragon School Larder working with Oxford's Food Hub alongside an extensive social impact programme. Our charity fundraising was in excess of £150,000
- Outstanding co-curricular opportunities including an incredible production of School of Rock and a riverside production of Wind in the Willows. A consistently high rate of attendance for Quest our enrichment activity programme on a Saturday morning, record numbers of sporting fixtures including gaelic football for the first time.
- Development initiatives including a trip to New York to engage with alumni as part of a menu of reunion opportunities.
- A growing programme of parent forums to support parents covering areas such as how to keep your child safe on-line to how to manage anxiety in younger children.

We published our Aims and Targets for 2022/3 and are available to see on our website  
<https://www.dragonschool.org/the-school/aims-ethos/>

**DRAGON SCHOOL TRUST LIMITED**  
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**GOVERNORS, ORGANISATIONAL STRUCTURE, OFFICERS AND ADVISERS**

Dragon School Trust Limited (“Dragon School” or “Trust”) is a company registered under the Companies Act 2006 and a registered charity. It is a company limited by guarantee; the liability of members of the company is limited to £1 each. The Governors of Dragon School are trustees of the charity, and directors and members of the company. Those serving during the year are as follows:

C Alexander	F T	
M Breen	E G	
J C Edmondson	F T *	
Dr H R Gurprashad	S&MH *	
D C Goatman	F R&C	
N L Helliwell	E M&A	
C I M Jones	F G SI + °	
S J Kerr-Dineen	E °	
Dr M Letts OBE	E SI	
N Millard	G S&MH	
N D Portwood	°	
R C W Rambaut	R&C *	
I A Van Every	M&A R&C SI *	
W A Webb	E F G M&A R&C SI °	
M Witherick	SI *	(appointed 1 January 2023)

Committee memberships and other groups (as at the end of year):

E	Education Committee	S&MH Safeguarding & Mental Health
F	Finance Committee	Committee
G	Governance Committee	T
SI	Social Impact Committee	Dragon School Trading Ltd
M&A	Marketing and Admissions	+
Committee		Old Dragon
R&C	Risk and Compliance Committee	*
		Current parent
		°
		Former parent

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**GOVERNORS, ORGANISATIONAL STRUCTURE, OFFICERS AND ADVISORS (continued)**

**Board and Committees**

The Board of Governors is a self-appointing body. Governors hold office for six years, whereupon they may be reappointed. Governors normally retire at the age of 70. There may be no more than 20 and no fewer than seven Governors. All committees and groups report to the main Board. The Board and other committees and groups routinely meet three times a year and at other times as necessary.

The Education Committee is the forum for all educational purposes and decision making in which Governors and staff participate equally.

The Social Impact Committee ensures the implementation of the School's SI strategy and programme. It is also responsible for approving all applications for means tested awards and grants on behalf of the Full Governing Body.

The Finance Committee has particular responsibility for the School's finances and financial strategy.

The Risk & Compliance Committee is the custodian of the School's Risk strategy and management matrix. It is also the primary committee to consider the School's compliance obligations.

The Governance Committee, previously Nominations and Remuneration Committee, is tasked with reviewing the membership of the Governing Body, recommending new Governors for GB approval, and for reviewing the performance and remuneration of Head and Chief Operating Officer, reporting via the Chairman to the Board of Governors.

The Safeguarding and Mental Health Committee ensures Board-level review and responsibility for all safeguarding, mental health and pastoral matters; its remit also includes boarding.

The Marketing and Admissions Committee is responsible for ensuring a coherent approach to the School's pupil recruitment strategy

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**Advisors**

The Trust appoints professional advisors to deal with specialist matters from time to time. All contracts are subject to periodic review as circumstances merit.

Architects:	TSH Architects	Oxford
	MEB Design	Oxford
Auditors:	Crowe U.K. LLP	Cheltenham
Bankers:	Barclays Bank	Oxford
	Coutts & Co	London
Insurance brokers:	Marsh Brokers	Haywards Heath, West Sussex
Pension advisors:	Succession Wealth	Aylesbury, Buckinghamshire
Solicitors:	Freeths	Oxford
	Blake Morgan	Oxford
	VealeWasboroughVizards	London
Surveyors:	Ingleton Wood	Oxford

Registered office and address for correspondence:

Dragon School  
Bardwell Road  
Oxford  
OX2 6SS

Web-site: [www.dragonschool.org](http://www.dragonschool.org)  
e-mail contact: [Bursar@dragonschool.org](mailto:Bursar@dragonschool.org)

The Head is E Goldsmith.

The Company Secretary and Chief Operating Officer is M R Johnson.

**DRAGON SCHOOL TRUST LIMITED**  
**ANNUAL REPORT AND ACCOUNTS 2023:**  
**GOVERNORS' REPORT**

The Governors present their annual report and audited accounts for the year ended 31 August 2023 in compliance with current statutory requirements for companies and charities and the company's Memorandum and Articles of Association. This report, together with the preceding pages, incorporates the information required for the directors' report and strategic report under the Companies Act. Comparative figures in the accounts are for the year ended 31 August 2022.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

Dragon School was founded in 1877. It was incorporated in 1953 as a company limited by guarantee and registered at Companies House, number 524331. It is registered with the Charity Commission under charity number 309676. The Governors, principal executive officers and advisers, together with contact details for the School, are given on pages ii to iv.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

Dragon School is governed by its Memorandum and Articles of Association dating from 1953 and last amended in November 2008.

**Governing Body**

Overall responsibility for Dragon School rests with the Governors, who are listed on page ii together with information regarding their tenure and committee membership.

**Recruitment and training of Governors**

New Governors are appointed at a meeting of the Board on the basis of recommendations made by the Nomination and Remuneration Committee ("NRC"). Recommendations are made following an interview process with members of the NRC and on the basis of the requirements of the Board in terms of skills and expertise.

New Governors receive an introduction and induction led by the Chief Operating Officer on behalf of the Chair of Governors. This covers a range of information including general governance matters, together with more detailed discussions of strategic priorities and finances. Further opportunities to attend appropriate seminars and training events are offered when they occur.

**Organisation and management**

The Governors, as the trustees of the Charity, are legally responsible for the overall management and control of the School. The Board of Governors meets at least once a term, receiving reports from committees which meet with similar frequency.

The day to day running of the School is delegated to the Head and Chief Operating Officer, supported by the Senior Leadership Team and staff. Generally the Head and Chief Operating Officer

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attend all Governors' and Committee meetings, except those of the Nominations and Remuneration Committee and when restricted business is discussed.

### **Key Management**

Key Management Personnel are defined as the Head, Chief Operating Officer, Head of Pre-Prep and the Deputy Heads.

### **Remuneration**

Remuneration is set by the Governing Body with the overall objective of ensuring appropriate recognition and incentive to encourage exceptional performance. Remuneration must be fair and responsible, and the appropriateness of the School's remuneration is reviewed periodically; this includes benchmarking with other schools in both independent and maintained sectors. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to develop and grow.

### **Group structure and relationships**

Dragon School has a wholly owned trading company, Dragon School Trading Limited (company number 1379919), which is used to generate income for the School through the hire of facilities, the sale of Dragon-related souvenirs and second-hand clothing. All residual profits are paid to the Trust under gift aid.

Dragon School has a relationship with two other charities, 'The Lynam Educational Fund' (274993), whose objects include assistance with school fees in cases of need, and 'The Dragon Christmas Charity Sale' (1106073), which raises money for charities helping children and families. The School provides support in the form of staff time to these charities, but as the School does not control these charities, their activities and financial results are not included within these reports and accounts, except to the extent that they have donated to the School.

The School actively supports the independent schools' sector, and contributes to the furtherance of educational standards and the quality of pastoral care, through participation in and subscription to umbrella organisations such as IAPS and BSA and through exam setting and curriculum review processes. The School has also developed links with a number of schools and charities overseas both through regular contacts and as opportunity and need arise.

The School continues to promote the use of its facilities at a discounted rate or, where appropriate, gratis. This includes the use of playing fields, astro-pitches, Lynam Hall and music facilities by local schools and other community groups and charities, and in particular those involved in educational or child-related activities.

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## **CHARITABLE OBJECTS, AIMS AND OBJECTIVES**

### **Charitable objects**

Dragon School's charitable objects are set out in the Memorandum and Articles of Association. The primary object is to advance the education of the public by acquiring and carrying on any school or schools for the education of children and young adults and by ancillary or incidental educational activities and other associated activities for the benefit of the community. In pursuit of these objects the School operates the Dragon Prep School at Bardwell Road for boys and girls from 8 to 13 years old and the School's Pre-Prep, Dragon Pre-Prep, on a separate site. Dragon Pre-Prep takes boys and girls from the age of 4.

In setting the School's objectives, and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit as updated in September 2013. The School's commitment to providing financial support to pupils whose parents could not otherwise afford to consider a Dragon education predates the 2006 Charities Act and subsequent guidance from the Charities Commission. The pursuit of wider access to the School is held to be of benefit to all Dragon pupils. To support with these goals, the School manages a number of restricted funds to be used in connection with the development of the School's facilities, and the provision of Bursaries, prizes and other educational purposes.

### **Aims**

The Dragon intends to provide a wide-ranging educational experience for all children, stretching all to the best of their respective abilities in academic, artistic, sporting, cultural and social activities. Although excellence is achieved by pupils in many fields, particularly academic, the School is most proud of its liberal ethos, the inclusivity of its educational provision and its pastoral care for all. In addition, the School aims to play a full and effective part in its local community.

### **Objectives for the year**

The Dragon's primary objective this year was to continue to provide the best possible education and care for each and every pupil, ensuring that those leaving for other schools achieve the places desired. In addition, the School has sought to widen access and increase its social impact.

### **Strategies used to achieve the year's objectives**

The School continues formal self-reviews of all areas of operation so as to improve methods and procedures, particularly of teaching and pastoral care, but additionally in the process of monitoring and assessing its own procedures. Specialist external reviews are also sought when deemed valuable. Specific coaching was provided to leavers tailored to the schools of their choice, and the pupils' abilities, to ensure their applications were successful.

The school monitors several key performance indicators throughout the year to assess performance against objectives, including, but not limited to, monitoring success in reaching first choice school,

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average set size, number of extra-curricular music and drama lessons taken, academic and other awards achieved and results achieved at CE, including number of high performing results.

## **POLICIES**

### **Grant making**

The School is particularly sensitive about the costs associated with delivering first class education, and seeks to extend its facilities as far as possible to those who might not otherwise be able to afford such an education. In particular it continues to carry out specific fund-raising to enable means-tested Bursaries to be awarded, in appropriate circumstances, which cover all or nearly all of the fees. Currently the School provides up to 25 Bursary places at up to 100% grant under its '125th anniversary' scheme. Other awards are made with respect to short-term hardship arising from significant life-changes.

In general, grants are made from the Bursaries, general and other specific funds to provide financial help with the fees. Where significant financial help may be required, the Bursaries Committee considers all circumstances involved in a grant application. This might include, where appropriate, means testing, interviews and home visits, with a view to making grants as fairly and as effectively as possible. All grants are made subject to annual review.

### **Risk management and key risks**

The Governors are responsible for ensuring the management of the risks faced by the Dragon. This is delegated to the General Purposes Committee, who review regularly a summary of the primary risks thought most likely to materialise or have the greatest effect, together with the action taken to mitigate those risks.

### **Risk mitigating controls**

The highest priority is placed on appropriate controls and processes to mitigate risks. Strict adherence to safer recruiting protocols, staff training, and a climate of open communication are fundamental to mitigating safeguarding risks in our School. Operational finance risks are mitigated through in-house oversight and checking. More broadly, risks associated with The Dragon's borrowings of greater than 1-year were mitigated through appropriate hedging financial instruments where appropriate. Considered financial planning, together with comprehensive management accounting, reporting and budgetary control, ensures the School maintains adequate reserves. Robust governance, strong policies, and effective communication (both internal and external) underpin the School's overall risk mitigation strategy. Internal monitoring of the School's compliance is led by the Compliance Officer on behalf of the Chief Operating Officer and Head.

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**Reserves**

The Governors review the restricted and designated reserves regularly. The specific objects of restricted funds are as follows:

- a) The Endowment fund represents amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997. The reserve stood at £3k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.
- b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries. The reserve stood at £445k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.
- c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources. The reserve stood at £105k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.
- d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources. Additional fee concessions and support are provided from the general fund. The reserve stood at £948k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.
- e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the School's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes. The reserve stood at £313k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.
- f) The 'Capital fund' represents unspent donations raised for building projects – primarily the Music School. Amounts spent on the specific buildings are transferred from the Capital fund to the general fund in the year the expenditure is incurred. The reserve stood at zero at the end of the year as the building work relating to the donations made to the fund had progressed sufficiently.

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g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments and cash deposits are held against the future liabilities. The reserve stood at zero at the end of the year as the aim is for the assets to match the liabilities.

None of the restricted funds are limited by their objects as to the expenditure of capital except the Endowed Bursaries and Endowment funds. All surpluses together with borrowings, eg bank loans, are reinvested to improve the School's resources. Comparative financial information for the funds can be found in notes 25 & 26.

At the year end the School had a deficit in free reserves of £13,564k, mainly represented by land and buildings, which have been financed by the School's accumulated surpluses and supplemented by bank borrowings. In the absence of free reserves, working capital and cash flow are monitored closely. The Governors' policy is to continue building up reserves out of operating surpluses, subject to the requirements for further capital expenditure. The School's working capital is considered to be sufficient to meet its liabilities as they fall due.

### **Investment**

The Trust's investment powers are governed by its Memorandum and Articles of Association. These permit funds to be invested in such investments, securities or property as may be thought fit. The School invested more of its general funds during the year. As these assets are intended to perform over a relatively long term period, targets will be set based on performance of the funds against comparators over a rolling three year period, with comparisons made against alternative investment vehicles each full year.

Prepaid fees funds are invested at the School's discretion in cash deposits or Government stocks so as to match individual schemes' requirements.

Investments performed relatively well in the year, with total gains of £64k considered reasonable against the backdrop of relative uncertainty in the markets during the year.

### **Section 172 of the Companies Act 2006**

The Governors confirm that all relevant issues, factors and stakeholders have been included in this report. They further confirm that regular engagement by Governors has ensured that issues are clearly understood and regular meetings continue to take place. Further, they confirm that key decisions are made with appropriate input and guidance from the Governors.

### **Disabled applicants and staff**

The School makes inclusion a thread which runs through all its activities. Dragon School seeks to engage with the widest possible range of knowledge, skill and experience in all its activities. The School's policies, therefore, facilitate the employment of disabled people and the provision where appropriate of training and career development. Were an employee to become disabled whilst in service, every effort would be made to retain them.

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**Communication with staff**

Governors place considerable importance on informing all staff of financial and other matters that affect them, consulting with them where appropriate. The Head and Chief Operating Officer report the outcome of Governors' meetings to staff through the School's formal management structure. All other such matters are briefed to staff as they arise through regular staff meetings.

Staff are encouraged to discuss matters of concern within the staff meetings and any feedback is discussed with the Deputy Heads, Head, Chief Operating Officer and Governors as appropriate. This can then influence school policy in a number of areas.

**Relationship with parents and pupils**

Dragon School considers its relationship with its parents and pupils to be of the utmost importance. The School prides itself on its open and transparent communication with its parents and pupils and never has this been more important than during the pandemic.

Dragon School issues regular bulletins on a weekly and termly basis and utilises social media to communicate with agility. Parents are encouraged to approach the School as required to ensure effective two-way communication.

**Fundraising**

During the year, the charity undertook fundraising activity with its supporters via direct mail, fundraising events and email in line with the Fundraising Code of Practice set by Fundraising Regulator.

When you support you can be sure of the following:

- We will never sell your contact details to anyone;
- We will only contact you if you have expressed an interest in our work;
- If we phone you, we will always check you are happy to take the call;
- If you ask us to change how we communicate with you, or stop, we will respect that;
- We do not engage in cold-calling, door to door or street fundraising;
- We try hard to ensure no one ever feels pressurised to support our work;
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice;
- All our activities are open, fair, honest and legal.

The charity did not work with any fundraising partners in the academic year 2023.

The charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. We did not receive any complaints about fundraising in 2023.

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### **Dealing with suppliers**

Dragon School prides itself on working collaboratively with its suppliers, both large and small. The School has introduced a system to monitor supplier payment terms.

### **Carbon Reporting**

As part of our new reporting requirements, the School has reviewed its greenhouse gas emissions and energy use data to compile a report to meet the SECR reporting requirements. The overall consumption of fossil fuels, direct and indirect, can be summarised as equivalent to production of an amount of carbon dioxide ('CO<sub>2</sub>e'), measured in tonnes. To do so we have used HM Government's environmental reporting guidelines, the GHG Reporting Protocol and HM Government's 2023 conversion factors for company reporting, and then expressed the tCO<sub>2</sub>e per pupil.

The table below summarises the energy use relating to electricity, gas combustion and transport.

Electricity use	1,232,224 (2022: 1,191,427) kWh
Gas Combustion	3,488,665 (2022: 3,824,230) kWh
Transport	40,749 (2022: 48,392) kWh
Total	4,761,638 (2022: 5,064,049) kWh

The greenhouse gas emissions associated with the energy use identified in the table above are as follows:

Electricity use	255.1 (2022: 253.0) tCO <sub>2</sub> e
Gas Combustion	628.0 (2022: 700.4) tCO <sub>2</sub> e
Transport	9.6 (2022: 11.4) tCO <sub>2</sub> e
Total	892.7 (2022: 964.8) tCO <sub>2</sub> e

The School consumed an average of 1.12 (2022: 1.21) tCO<sub>2</sub>e/pupil based on 800 (2022: 798) pupils.

The majority of the change came from gas consumption, which is related to weather and temperature during the year. The Dragon is committed to reducing its carbon footprint and is moving towards a Net Zero position through a number of workstreams.

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## **STRATEGIC REPORT**

The School provided education to its pupils in accordance with its stated aims and motto *arduus ad solem*. Demand for places continues to be high, in large part due to the recognised high standards achieved by the School. During the year the School had (on average) 801 pupils in total between the Prep school and Dragon Pre-Prep.

The School was inspected by the Independent Schools Inspectorate (ISI) in December 2022 and the achievement of the pupils, including their academic development, and the personal development of the pupils was judged to be Excellent (the highest possible descriptors). The inspection also included a Regulatory Compliance element and the School was assessed as meeting the requirements in every respect. The full text of the inspection report can be found here:

<https://www.isi.net/reports/?name=Dragon%20School>

## **IN-YEAR ACHIEVEMENTS**

Our teaching numbers boast nearly 750 music lessons a week across wide-reaching disciplines. These cover the full complement of western classical instruments as well as pop instruments and Music Tech.

Our ensembles and pre-select music groups programme continues to thrive with 60 music groups running weekly across both sites. This gives a full range of styles and abilities over all our year groups. Singing is once again running at capacity with our year group choirs well subscribed and our pre-select choirs bursting at the seams. We are taking the choir on tour to Berlin this year and the tour filled up on the first day of booking.

219 children took their ABRSM exams with 37 taking Grade 5 or above on many different instruments. Our total exam output for 2022-2023 was 257 and we have an average of a 99% pass rate. In our most recent exam run we had more distinctions than any other mark.

Musical outreach events are still very much a priority for us. Our Gamelan Days are proving a great success with local primaries and is a termly fixture in our calendar. Last year we were able to host a specialist SEN school which proved rewarding both for them and for our Dragons. Our DragonPhil Days (this year catering for Wind and Brass) are also a popular annual event..

In Games, too, the School's vision of making sport accessible to everyone was embraced enthusiastically by Dragons themselves with our aim being that every child has the chance to represent the School in each major termly sport. There are a variety of other sports available for the children to participate in all year round with a breadth of activities on offer through our clubs' programme in addition to the curriculum sport.

We provide extensive opportunities for the pupils to represent the school at all levels regularly have over 30 different teams playing on a match day, with our more senior sides playing fixtures on arguably the most competitive Prep-School circuit around. Furthermore, a number of Dragons earn

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representative honours at district, county and regional level in an increasing number of sports, realising the School's twin aims of promoting both participation and excellence.

Our leaving pupils sat Common Entrance in School again, achieving 77% A&B Grades – an excellent comparison to previous years. Our leavers gained 63 awards to their senior schools, a School record in recent times, including 25 academic Scholarships or Exhibitions.

The School's Social and Environmental Impact programme, is guided, under instructive facilitation, by the pupils themselves. Each pupil can cast a vote for the charitable sectors the School will support. Both veins of thinking are increasingly blended into normal curriculum subjects, as well as functioning as specific projects in the Activities and Clubs programmes. Each year group usually organises one major charity event, or challenge, each year with all pupils in the year group engaged. These usually include A Block pupils (Year 8) being invited to lead their own specific fundraising challenge and B block pupils (Year 7) being given £5 to turn into fundraising projects. Pupils are invited to participate in fundraising for, and the distribution of funds raised by, the Dragon Sale, which is the largest annual Dragon Community fundraising event.

The School continues to take important steps to improve its infrastructure. Its main capital expenditure during the year was on commencing the Music & Performing Arts building.

**Operational performance – Key Performance Indicators**

- 100% of leaving children passed to their school of choice.
- 77% of Common Entrance papers were graded A or B
- 63 academic, music, art, sporting and all-round awards were made to Dragon pupils by their secondary schools.
- Fee income was £20,112k
- Donations and legacies were £539k
- Staff costs were £11,585k

**Operational performance – Widening Access and Social Impact**

a) Bursaries and other grants:

Bursaries are at the heart of the Dragon's public benefit provision. The Dragon has a target of 25 Bursary awards across the School in the academic year and new grants per year have been awarded each year to try to meet this target. Bursary awards (day and boarding) were on average just over 75% of the fees at a cost to the School this year of £345k (2022: 347k); a range of other grants including staff, hardship and scholarship totalling a further £829k (2022: £664k) were awarded between 53 other pupils.

b) Social Impact:

The School believes that as an institution it should give strong support to the wider community. Of equal importance is the conviction that gaining a proper understanding of their social and

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environmental responsibilities must be a cornerstone of the education of each of its pupils. The School is committed to involving all pupils in such projects.

c) Educational:

The Latin in the Community initiative, whereby Dragon teachers and pupils assist teachers and children from other non-fee-paying schools without this expertise, continues to flourish; surplus equipment is donated to other schools or charities; some members of Dragon staff act as governors on local and IEB boards; other links and ideas are built into the curriculum through visits, demonstrations, lectures and debates.

d) Music, Sport and Arts:

Dragon musicians have played and sung in public at a variety of charities. International visitors have provided sporting as well as musical interaction. In addition, a range of local schools, charities and local groups and clubs continue to use the School's facilities when available. The provision of facilities for these purposes is valued at an approximate £22k (at the normal discounted rates for charitable use).

e) Community:

During the year the staff and its pupils raised funds for other charities through wide-ranging entrepreneurial activity, most of which is pupil led. In addition, the Dragon Christmas Charity Sale distributed funds for various charities from proceeds of the sale held at the end of the Christmas term on the School's premises, run by the parents with the assistance of pupils and staff.

### **Operational performance – Fundraising**

The School raised £539k (2022: £2,045k) to further its activities this year. The broad fundraising strategy remains to reach out to the whole Dragon community including Old Dragons, current and past parents focusing on meeting two core needs: the maintenance of Bursary funds and supporting the School's capital plans, in particular the Music and Performing Arts Centre. Successful events were held which promoted the Dragon's vision and needs to all these groups.

The School is also the grateful recipient of grants from the Lynam Educational Fund with which it can provide help with fees to parents whose circumstances unexpectedly change, providing continuity of environment and education for children in a period when their home lives may be radically upset and also towards the School's Bursaries.

### **Operational performance – Financial**

The Trust's accounts reflect its general success as a school; this underpins the School's ability to service the private placement which finances the work of the School and replaced the initial financing to purchase the School's freehold.

Any operating surplus generated by the School is invested in the major capital projects needed to keep the School at the forefront of preparatory education, and in the provision of subsidised

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**GOVERNORS' REPORT (continued)**

education for children otherwise unable to attend such a school. Inevitably, the demand for capital investment continues to exceed available resources and in setting the fees the Governors have to balance accessibility and fairness to current parents with the investment requirements of a leading school. The School is increasingly reliant on fundraising for capital projects.

Fee income increased during the year due to an increase in the fees, related to increased inflationary pressures seen in the UK. During the year £20,112k (2022: £18,658) was generated from fees, 93% of its total income of £21,529k (2022: £20,938k).

The other significant element of income is donations and legacies of £539k (2022: £2,045k).

The greatest part of the Trust's expenditure is on staff costs which at £11,585k (2022: £10,823k) represent 57% (2022: 55%) of expenditure; and of these staff costs, £8,670k (2022: £8,233k) are spent on teaching, with an additional £1,536k (2022: £1,194k) on welfare and pastoral functions.

Finance costs are significant at £1,047k payable (2022: £640k), mostly as interest on the School's Private Placement issued Notes. Other non-staff costs include direct expenditure on teaching of £1,195k (2022: £951k), premises of £2,289k (2022: £1,854k) and welfare of £2,474k (2022: £2,225k). Virtually all these costs, staff, finance and other, which are necessary for the charity to meet its objects, represent semi-fixed overheads.

The School spent £6,641k (2022: £320k) on fixed assets. This is mainly represented by the investment in the new Music & Performing Arts building, the building of which was still in progress at the year end. It is anticipated that it will be completed in the coming year. Numerous smaller equipment purchases, some funded by donation, have been made throughout the teaching and boarding areas.

The Trust's balance sheet is dominated by the net book value of its fixed assets, mainly freeholds and buildings in progress, of £47,823k (2022: £41,850k), including, in particular, the main site purchased in January 2007 for £29,733k. The School's Private Placement was successfully issued in the prior year and this forms the largest part of the liabilities at £30,000k (2022: £30,000k). The other fixed assets are long term investments valued at £4,715k (2022: £3,116k) The current assets are comprised primarily of cash at £21,381k (2022: £25,898k) which offset the creditors due within one year of £5,677k (2022: £3,670k) which are chiefly comprised of pupil deposits and fees received in advance relating to pupils.

### **Future plans**

The School reviews its strategic framework regularly, and a major review and overhaul of the two existing key documents, comprising of Guiding Principles and Development Strategy, is underway. The key objectives representing the main pillars of School development that were set out in the strategy, as updated for recent developments, are:

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**GOVERNORS' REPORT (continued)**

Academic Development:

- Maintain a leading position and reputation for innovative and exciting teaching and learning.
- Maximise all children's learning potential by improving thinking skills and proving "value-added".
- Embrace new technologies for children's immediate and future educational benefit.
- Achieve more efficient use of teachers' time and resources.
- Contribute academic and pedagogic resources to the wider community.

Pastoral Development:

- Create structures within the School that assist children, staff and parents to develop clear identities.
- Maximise all opportunities in the School to help provide children with the social skills to develop positive relationships with others.
- Ensure that parents are fully involved in the School's pastoral and welfare initiatives.
- Develop training at all levels to help children, staff and parents develop strategies for understanding and promoting good pastoral care.

ICT Development:

- Provide staff with a more effective and efficient teaching platform at School and at home.
- Ensure a safe and secure ICT environment for the Dragon community.
- Develop the School's cyber-security posture and build resilience into the School's ICT infrastructure.
- To further develop the School's goal of becoming a cloud managed environment.

Social Impact and Public Benefit:

- Widen access further by increasing the expanding the Bursary scheme.
- Establish the School as a recognised leader for pupil-led social benefit initiatives.
- Develop the existing initiatives with local schools.
- Reflect sustainable development through policy and practice at all levels.

Facilities Development:

- Build a new Music and Performing Arts Centre to service the growing musical and performing arts needs and aspirations of the Dragon community.
- Provide residential accommodation to allow the School to recruit and retain the best possible staff.

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**ANNUAL REPORT AND ACCOUNTS 2023:**  
**GOVERNORS' REPORT (continued)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors are responsible for preparing the annual report 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 Trust and its subsidiary ('the group'), and of the result of the group for that year.

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 Trust and subsidiary's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and subsidiary 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Governors is aware at the time the report is approved:

- there is no relevant audit information of which the group's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors are grateful for the tremendous parental support for the School in achieving all that it does. It is the commitment of parents, the leadership of the Head, the effort put into caring for the pupils by the staff, and the energy of those pupils, and the dedicated work of the support staff in all their fields of expertise, which make the School what it is today and enables it to face the future with confidence.

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**GOVERNORS' REPORT (continued)**

This Governors' Report, which incorporates the Strategic Report, was approved by the Governors and signed on their behalf by:



Andrew Webb, Chairman

16 March 2024

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**DRAGON SCHOOL TRUST LIMITED**

## **Opinion**

We have audited the financial statements of Dragon School Trust Limited ('the charitable company') and its subsidiary ('the group') for the year ended 31 August 2023 which comprise consolidated statement of financial activities, group and charity balance sheets, consolidated statement of cash flows 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 state of the group's and the charitable company's affairs as at 31 August 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 or the group'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 contained within the annual report. 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

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**(continued)**

the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; 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 xix, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

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**(continued)**

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within bursaries, scholarships and other discounts, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over bursaries, scholarships and other discounts, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate and Ofsted, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly

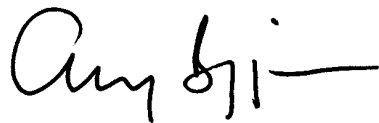
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planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

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



Guy Biggin  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
Fourth Floor  
St James House  
St James' Square  
Cheltenham  
GL50 3PR

Date: 22 May 2024

**DRAGON SCHOOL TRUST LIMITED**  
**ANNUAL REPORT AND ACCOUNTS 2023:**  
**GROUP STATEMENT OF FINANCIAL ACTIVITIES**

	Note	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2023	Total funds 2022
		£'000	£'000	£'000	£'000	£'000
INCOME FROM:						
Charitable activities						
School fees	2.	20,112	-	-	20,112	18,658
Other educational	3.	39	-	-	39	80
Other ancillary trading	4.	-	-	-	-	5
Other trading activities						
Non-ancillary trading		54	-	-	54	109
Investments						
Investment income	5.	-	4	-	4	8
Bank and other interest	6.	781	-	-	781	33
Voluntary sources						
Donations and legacies	7.	-	539	-	539	2,045
<b>Total income</b>		<b>20,986</b>	<b>543</b>	<b>-</b>	<b>21,529</b>	<b>20,938</b>
EXPENDITURE ON:						
Raising funds						
Fundraising for voluntary resources		352	-	-	352	282
Trading		6	-	-	6	28
Other		48	-	-	48	59
<b>Total costs of raising funds</b>		<b>406</b>	<b>-</b>	<b>-</b>	<b>406</b>	<b>369</b>
Charitable activities						
Schools and grantmaking		18,629	345	-	18,974	18,335
Schools - financing costs	9.	1,047	-	-	1,047	640
<b>Total costs of charitable activities</b>		<b>19,676</b>	<b>345</b>	<b>-</b>	<b>20,021</b>	<b>18,975</b>
<b>Total expenditure</b>	8.	<b>20,082</b>	<b>345</b>	<b>-</b>	<b>20,427</b>	<b>19,344</b>
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)						
		904	198	-	1,102	1,594
Investment gains/(losses)		41	23	-	64	(97)
<b>NET INCOME</b>		<b>945</b>	<b>221</b>	<b>-</b>	<b>1,166</b>	<b>1,497</b>
Fair Value gains	18c.	-	-	-	-	482
Transfers between funds	25.	3,790	(3,790)	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>4,735</b>	<b>(3,569)</b>	<b>-</b>	<b>1,166</b>	<b>1,979</b>
Fund balances at 1 September 2022		30,312	4,935	448	35,695	33,716
<b>FUND BALANCES AT 31 AUGUST 2023</b>		<b>35,047</b>	<b>1,366</b>	<b>448</b>	<b>36,861</b>	<b>35,695</b>

All activities are continuing. No separate income and expenditure account as required under the Companies Act 2006 has been presented, as there are no differences between that and the Statement of Financial Activities presented above. The notes on pages 9 to 26 form part of these accounts.

**DRAGON SCHOOL TRUST LIMITED**  
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**GROUP AND CHARITY BALANCE SHEETS**

	Note	Group		Charity	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12.	47,823	41,850	47,823	41,850
Investments	15.	4,715	3,116	4,715	3,116
		<b>52,538</b>	<b>44,966</b>	52,538	44,966
Current assets					
Stock	13.	7	7	6	6
Debtors	14.	783	1,252	764	1,249
Cash at bank and in hand	16.	21,381	25,898	21,379	25,809
		<b>22,171</b>	<b>27,157</b>	22,149	27,064
Creditors: due within one year	17.	<b>(5,677)</b>	<b>(3,670)</b>	(5,690)	(3,640)
Net current assets		<b>16,494</b>	<b>23,487</b>	16,459	23,424
Total assets less current liabilities		<b>69,032</b>	<b>68,453</b>	68,997	68,390
Creditors: due in more than one year	18.	<b>(32,171)</b>	<b>(32,758)</b>	(32,171)	(32,759)
Total net assets	26.	<b>36,861</b>	<b>35,695</b>	36,826	35,631
Endowment funds		448	448	448	448
Restricted funds		1,366	4,935	1,366	4,935
Unrestricted funds		35,047	30,312	35,012	30,248
Fund balances	25.	<b>36,861</b>	<b>35,695</b>	36,826	35,631

The notes on pages 9 to 26 form part of these accounts.

In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Dragon School Trust Limited. The Trust net income for the year was £1,195k (2022: £1,923k).

The financial statements were approved and authorised for issue by the Board of Governors  
On 16 March 2024 and were signed below on its behalf by



Andrew Webb, Chairman

16 March 2024

Company number: 00524331

**DRAGON SCHOOL TRUST LIMITED**  
**ANNUAL REPORT AND ACCOUNTS 2023:**  
**GROUP STATEMENT OF CASH FLOWS**

	Note	2023		2022	
		£'000	£'000	£'000	£'000
Net cash inflow from operations	(a).		3,855		2,792
Cash flows from investing activities					
Interest paid		(1,036)		(640)	
Interest received		781		33	
Receipts from disposals of fixed assets		5		-	
Receipts from disposals of investments		63		-	
Payments for investments		(1,600)		(1,600)	
Investment income receipts		4		8	
Payments for tangible fixed assets		(6,641)		(320)	
Net cash used in investing activities			(8,424)		(2,519)
Cash flows from financing activities					
Receipts from prepaid fees scheme		772		597	
Payments from prepaid fees scheme		(720)		(204)	
Additional borrowing		-		30,000	
Loan repayments		-		(14,289)	
Net cash used in financing activities			52		16,104
Change in cash and cash equivalents in the reporting period			(4,517)		16,377
Cash and cash equivalents at the beginning of the reporting period			25,898		9,521
Cash and cash equivalents at the end of the reporting period			21,381		25,898

Charity law requires separate administration of the cashflows of endowed and other restricted funds of the Trust. This constraint has not adversely affected group cashflows as stated above.

a) Reconciliation of net income to cash	2023	2022
flow from operating activities	£'000	£'000
Net income	1,166	1,979
Investment (gains)/losses	(64)	97
Fair value (gains)	-	(482)
Interest payable	1,047	640
Interest receivable	(781)	(33)
Investment income	(4)	(8)
Depreciation charges	665	804
(Increase) in stocks	-	(1)
Decrease/(increase) in debtors	469	(488)
Increase/(decrease) in creditors	1,357	284
Net cash inflow from operating activities	3,855	2,792

**DRAGON SCHOOL TRUST LIMITED**  
**ANNUAL REPORT AND ACCOUNTS 2023:**  
**GROUP STATEMENT OF CASH FLOWS**

b) Analysis of cash flows and net debt

	1 Sept 2022	Cashflow	Other movements	31 Aug 2023
	£'000	£'000	£'000	£'000
Cash at bank and in hand	25,898	(4,517)	-	21,381
Debt: bank loans	(30,000)	-	-	(30,000)
	<u>(4,102)</u>	<u>(4,517)</u>	<u>-</u>	<u>(8,619)</u>

The notes on pages 9 to 26 form part of these accounts.

**DRAGON SCHOOL TRUST LIMITED**  
**ANNUAL REPORT AND ACCOUNTS 2023:**  
**NOTES**

1. ACCOUNTING POLICIES

a) General information

The School is a Public Benefit Entity, registered as a charity (charity number: 309676) and company limited by guarantee (company number: 524331). The School's registered office address is: Dragon School, Bardwell Road, Oxford, OX2 6SS.

b) Basis of accounting

The accounts are prepared under the historical cost convention as modified by the revaluation of listed investments, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Second Edition, Effective 1 January 2019.

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 functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates. The balances in the accounts are rounded to the nearest thousand.

c) Consolidation/ group accounts

The Trust has beneficial ownership of 100% of the share capital of Dragon School Trading Limited. The group accounts consolidate the results of this subsidiary, which are summarised in note 28. As the subsidiary pays any taxable profits to the parent, the surplus dealt with in the parent company's accounts is identical to that shown on the group income and expenditure account. The Trust's Governors represent the ultimate controllers of the group.

d) Critical accounting judgements and estimates and key sources of estimation uncertainty

In the application of these accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. The Governors consider the following items to be areas subject to estimation and judgement:

Depreciation:

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Although tangible fixed assets are significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically, no changes have been required.

**DRAGON SCHOOL TRUST LIMITED**  
**ANNUAL REPORT AND ACCOUNTS 2023:**  
**NOTES**

1. ACCOUNTING POLICIES (continued)

Impairment of debtors:

The School makes an estimate of the recoverable value to trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's accounts.

e) Income – fees and similar income

Income is recognised, in general, only with respect to the period of account and are stated after deducting Bursaries, scholarships and other remissions allowed by the School. Fees paid with respect to future terms are carried forward as liabilities; and donations of any sort are included only when resources are irrevocably transferred. School fees include extras. Other Educational Income primarily consists of registration fees and income from the hiring out of some of the school's facilities at certain times during the year. Income from such sources is recognised over the period in which the relevant service is delivered.

f) Income – donations

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Donations received for the general purposes of the School are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are credited to the relevant Restricted Funds or Endowment Funds.

g) Income – investments

Interest is included on an accruals basis. Dividends from investment funds are included as receivable on the due dates.

h) Expenditure

With respect to resources expended running the school, 'property' includes costs of maintaining the buildings used for educational purposes, while 'welfare' include boarding and catering costs; 'support' represents other costs of servicing the direct teaching function, including governance costs. Irrecoverable VAT is included with the item of expense to which it relates in all cases. Overheads and other costs not directly attributable to a functional activity are apportioned on the basis of management estimates consistently applied.

Redundancy and termination costs only occur where absolutely necessary and are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

i) Fund accounting

The School has three types of funds

- Restricted - where the purpose for which the funds may be used has been restricted by donors;
- Endowment - where the capital is held in perpetuity to generate distributable income; and
- Unrestricted - where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted but the Governors have designated them for a specific purpose.

j) Tangible fixed assets

Land and buildings are shown at original cost. Fixtures and fittings are capitalised when they are included in the provision of additional facilities, such as when a building is extended or converted; other fixtures and fittings are charged to revenue in the year of purchase. Equipment costing over £1k is capitalised.

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1. ACCOUNTING POLICIES (continued)

Depreciation is provided on all assets other than freehold land. Assets under constructions are not depreciated until they are completed and brought into use. Freehold buildings are amortised on a straight line basis, taking into account their estimated residual value, which in the case of education-specific buildings is considered negligible but in the case of residential property is expected to approximate their original costs. Leasehold land and buildings are amortised over the period of the lease. With respect to other assets depreciation is provided at straight line on cost.

The estimated lifetimes of various types of assets in use are:

Freehold buildings	50 years
Other	3-10 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

k) Operating lease rentals

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

l) Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Gains and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses are calculated as the difference between sale proceeds and opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value of investments at the year-end and their carrying value. Realised and unrealised investment gains and losses are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investment subsidiaries are valued at cost less provision for impairment.

m) Stock

Stock of consumables held at the year-end are valued at cost, subject to their usability. Stock held for resale is valued at the lower of cost and net realisable value. Purchases of educational materials for the next academic year are carried forward as prepayments.

n) Debtors

Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

o) Cash at bank and in hand

Cash at bank and in hand includes cash and deposits with a short term maturity of six months or less from the date of opening the deposit account.

p) Creditors

Creditors are recognised where the School has a present obligation arising 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 reliably. Amounts are recognised at their settlement amount.

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1. ACCOUNTING POLICIES (continued)

q) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Financial assets / liabilities held at fair value through the profit or loss comprise derivatives. Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the SoFA as a fair value movement. The School does not currently apply hedge accounting for interest rate swap derivatives.

r) Pension costs

Pension costs represent contributions under defined contribution schemes' costs in the current year.

2. CHARITABLE ACTIVITIES - SCHOOL FEES	2023	2022
	£'000	£'000
School fees and extras	20,941	19,360
<i>less</i> scholarships, Bursaries and grants	<u>(1,174)</u>	<u>(1,097)</u>
	19,767	18,263
Bursaries paid from restricted funds	<u>345</u>	<u>395</u>
	<u>20,112</u>	<u>18,658</u>
3. CHARITABLE ACTIVITIES – OTHER EDUCATIONAL	2023	2022
	£'000	£'000
Registration fees	39	47
Courses & conferences	<u>-</u>	<u>33</u>
	<u>39</u>	<u>80</u>
4. CHARITABLE ACTIVITIES – ANCILLARY TRADING	2023	2022
	£'000	£'000
Commission and similar income	<u>-</u>	<u>5</u>
	<u>-</u>	<u>5</u>
5. INVESTMENT INCOME	2023	2022
	£'000	£'000
Listed and other investments	<u>4</u>	<u>8</u>
	<u>4</u>	<u>8</u>

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6. BANK AND OTHER INTEREST	2023 £'000	2022 £'000
Bank interest	757	21
Other	24	12
	<u>781</u>	<u>33</u>

7. DONATIONS AND LEGACIES	2023 £'000	2022 £'000
Donations and legacies for:		
Bursaries	345	379
Other	194	1,666
	<u>539</u>	<u>2,045</u>

8a. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £'000	Depr'n £'000	Other £'000	2023 Total £'000
Cost of raising funds				
Fundraising for voluntary resources	256	-	96	352
Trading costs	-	-	6	6
Other costs	-	-	48	48
Total cost of raising funds	<u>256</u>	<u>-</u>	<u>150</u>	<u>406</u>
Charitable activities				
Schools and grantmaking				
Teaching	8,670	36	1,195	9,901
Welfare	1,536	9	2,474	4,019
Premises	171	396	2,289	2,856
Support costs of schooling (including governance – note 8c)	952	224	677	1,853
Grants, awards and prizes (note 8b)	-	-	345	345
	<u>11,329</u>	<u>665</u>	<u>6,980</u>	<u>18,974</u>
Schools - financing costs (note 9)	-	-	1,047	1,047
Total costs of charitable activities	<u>11,329</u>	<u>665</u>	<u>8,027</u>	<u>20,021</u>
Total expenditure	<u>11,585</u>	<u>665</u>	<u>8,177</u>	<u>20,427</u>

No allocation has been made of senior management time spent on governance matters as such time is additional to full time roles providing support to the School's teaching. Staff costs are further detailed in note 10.

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8a. ANALYSIS OF TOTAL EXPENDITURE (cont'd)

Prior year comparative information

	Staff costs £'000	Depr'n £'000	Other £'000	2022 Total £'000
Cost of raising funds				
Fundraising for voluntary resources	220	-	62	282
Trading costs	-	-	28	28
Other costs	-	-	59	59
Total cost of raising funds	<u>220</u>	<u>-</u>	<u>149</u>	<u>369</u>
Charitable activities				
Schools and grantmaking				
Teaching	8,233	26	951	9,210
Welfare	1,194	13	2,225	3,432
Premises	187	412	1,854	2,453
Support costs of schooling (including governance – note 8c)	987	353	1,505	2,845
Grants, awards and prizes (note 8b)	-	-	395	395
	<u>10,601</u>	<u>804</u>	<u>6,930</u>	<u>18,335</u>
Schools - financing costs (note 9)	-	-	640	640
Total costs of charitable activities	<u>10,601</u>	<u>804</u>	<u>7,570</u>	<u>18,975</u>
Total expenditure	<u>10,821</u>	<u>804</u>	<u>7,719</u>	<u>19,344</u>

8b. GRANTS, AWARDS AND PRIZES

	2023 £'000	2022 £'000
From Restricted Funds:		
Bursaries and other grants and awards	345	395
	<u>345</u>	<u>395</u>

8c. GOVERNANCE COSTS

	2023 £'000	2022 £'000
Auditors' remuneration – audit (Group)	25	14
Auditors' remuneration – audit (subsidiary)	3	2
Auditors' remuneration – non-audit	-	2
Reimbursement of expenses to Governors	2	1
Other governance costs	58	98
	<u>88</u>	<u>117</u>

**DRAGON SCHOOL TRUST LIMITED**  
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9. FINANCING COSTS	2023	2022
	£'000	£'000
Interest payable is due on:		
Bank loans and overdrafts	1,036	629
Discounts allowed on prepaid fees	11	11
	<u>1,047</u>	<u>640</u>

Financing costs are included in costs of charitable activities as part of the operation of the School.

10. EMPLOYEES	2023	2022
	£'000	£'000
Staff costs:		
Wages and salaries	9,344	8,716
National Insurance	946	872
Pension costs	1,215	1,143
Severance pay	80	92
	<u>11,585</u>	<u>10,823</u>
The numbers of employees whose remuneration was over £60k (including severance pay) fell into the following bands:	No.	No.
£60 - £70k	10	3
£70 - £80k	4	2
£80 - £90k	4	4
£90 - £100k	1	-
£110-£120k	-	3
£120-£130k	1	-
£130-£140k	1	-
£140-£150k	-	1
£150-£160k	1	-
These higher paid staff had defined contribution pension schemes, total cost:	£'000	£'000
	<u>231</u>	<u>158</u>
Total pension costs were made up of:	£'000	£'000
Defined contribution schemes	<u>1,215</u>	<u>1,143</u>
	1,215	1,143

The total employment costs of key management personnel, who are considered to consist of the Head, Head of the Pre-prep, the Chief Operating Officer, the Governors and the Deputy Heads during the year was £738k (2022: £900k).

The Governors did not receive any remuneration. The accounts do not estimate the value of their time and expertise in governance and support roles, though this is considerable. Three (2022: Five) Governors received travel and caring expenses during the year totalling £2k (2022: £1k).

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10. EMPLOYEES (continued)

The average number of employees, based on head count, excluding Governors, was:	2023 No.	2022 No.
Teaching	197	204
Pensioners	3	5
Support staff	112	106
Development	3	3
	<u>315</u>	<u>318</u>

11. TAXATION

As a registered charity the Trust does not pay corporation tax on surpluses arising from its charitable activities. The Trust's subsidiary, Dragon School Trading Limited, pays corporation tax on profits, but these are nil for tax purposes after allowing for the payment of profits to the parent company as a charge.

The Trust suffers irrecoverable VAT on all purchases other than those made by its subsidiary trading company. Irrecoverable VAT paid to HMRC totalled approximately £620k (2022: £601k) during the year.

12. TANGIBLE FIXED ASSETS (group *and* parent company) for own use:

	Assets in Course of Construction (restated) £'000	Freehold Property (restated) £'000	Motor vehicles £'000	Other £'000	TOTAL £'000
<b>Cost</b>					
at 1 September 2022	460	48,068	210	6,973	55,711
additions	5,686	488	-	467	6,641
disposals	-	-	(30)	-	(30)
at 31 August 2023	<u>6,146</u>	<u>48,556</u>	<u>180</u>	<u>7,440</u>	<u>62,322</u>
<b>Depreciation</b>					
at 1 September 2022	-	7,512	206	6,143	13,861
charge	-	320	1	344	665
released	-	-	(27)	-	(27)
at 31 August 2023	<u>-</u>	<u>7,832</u>	<u>180</u>	<u>6,487</u>	<u>14,499</u>
<b>Net book value</b>					
at 1 September 2022	<u>460</u>	<u>40,556</u>	<u>4</u>	<u>830</u>	<u>41,850</u>
at 31 August 2023	<u>6,146</u>	<u>40,724</u>	<u>-</u>	<u>953</u>	<u>47,823</u>

The opening balances in the table above have been restated as the Assets in course of construction in place at 31 August 2022 were reported within the Freehold Property section in the prior year accounts.

The rebuild cost of properties included in freehold was approximately £75,540k at the most recent insurance review (September 2023), though this does not include the value of the land itself. Governors are of the opinion that the current market value of freeholds is considerably in excess of the historical cost shown. With respect to other assets (fixtures, fittings and equipment), these are insured for £4,370k. These values are cited merely for comparison with the historical cost figures shown above. The School does not own any heritage assets.

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Virtually all assets held are used for the purposes of the School's operation; some small proportion is used for management and trading, but identification of the amounts involved is not practicable.

13. STOCKS

	Group		Parent company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Goods for resale	1	1	-	-
Consumables	6	6	6	6
	<u>7</u>	<u>7</u>	<u>6</u>	<u>6</u>

14. DEBTORS

	Group		Parent company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	466	406	447	403
Amount owed by subsidiary	-	-	-	-
Loans	13	9	13	9
Prepayments	236	269	236	269
Accrued income	68	568	68	568
	<u>783</u>	<u>1,252</u>	<u>764</u>	<u>1,249</u>

15. INVESTMENTS

Investments are shown at market value:

Other U.K. listed investments held as fixed assets

Historical cost:

Value of investments:

brought forward  
disposals at value brought forward  
acquired  
change in unrealised values  
carried forward

Group and parent  
company

2023 £'000	2022 £'000
4,715	3,116
<u>4,715</u>	<u>3,116</u>
<u>4,300</u>	<u>2,755</u>
3,116	1,613
(63)	-
1,600	1,600
62	(97)
<u>4,715</u>	<u>3,116</u>

16. CASH AT BANK AND IN HAND

	Group		Parent company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash on deposit	21,357	25,894	21,357	25,805
Current bank accounts and petty cash	24	4	22	4
	<u>21,381</u>	<u>25,898</u>	<u>21,379</u>	<u>25,809</u>

**DRAGON SCHOOL TRUST LIMITED**  
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17. CREDITORS: DUE WITHIN ONE YEAR

	Group		Parent company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	1,493	827	1,493	824
Amount owed to subsidiary	-	-	19	-
Taxation and social security	265	267	265	251
Accruals	868	627	862	616
Deferred income				
- fees received in advance	1,729	1,276	1,729	1,276
- deposits held	644	489	644	489
- prepaid fees scheme	678	184	678	184
	5,677	3,670	5,690	3,640

18a. CREDITORS: DUE IN IN MORE THAN ONE YEAR

	Group and parent company	
	2023 £'000	2022 £'000
Bank loans	30,000	30,000
Deferred income: prepaid fees	280	711
Deposits held	1,891	2,047
Interest rate swap derivative	-	-
	32,171	32,758

18b. ANALYSIS OF LONG TERM CREDITORS

Long term creditors are due in less than five years except as follows:

Bank loans:

due within one year	-	-
due between two and five years	-	-
due in more than five years	30,000	30,000
	30,000	30,000

Deferred income - prepaid fees 19.

due within one year	678	184
due between two and five years	165	711
due in more than five years	115	-
	958	895

Deposits held:

due within one year	644	489
due between two and five years	1,441	1,625
due in more than five years	450	422
	2,535	2,536

**DRAGON SCHOOL TRUST LIMITED**  
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18c. LONG TERM CREDITORS: EXPLANATORY NOTES

On 18 March 2022, the School issued £30m of Senior Secured notes in a Private Placement to Canada Life Limited and Canada Life Assurance Company. These Notes have a fixed interest rate of 3.41% and are due for repayment on 29 April 2050.

19. PREPAID FEES ACCOUNT

	Group and parent company	
	2023 £'000	2022 £'000
Balance at the beginning of the year	895	491
New contracts	772	597
Amounts accrued to contracts as debt-financing costs	11	11
Amounts used in payment of fees		
– to the School	(663)	(204)
– to other Schools	(57)	-
Balance at year end	958	895

20. PENSIONS

Up to 1 September 2021, the majority of the staff participated in one of two pension schemes: the Teachers' Pension Scheme (TPS) run by the Teachers' Pension Agency specifically for teaching staff, and a defined contribution scheme for other staff, with Scottish Widows.

On 1 September 2021, the School left the TPS scheme and the defined contribution scheme with Scottish Widows was closed. The school operates a defined contribution scheme with Royal London which all staff can join. The assets of the scheme are held separately from the Trust in an independently administered fund. The employer contributes up to 16.48% corresponding to employees' chosen contribution rates.

Included within salary costs are payments to certain former staff members or their spouses whose pension provision prior to the School adopting the Teachers' Pension Scheme was inadequate during their employment. The total amount paid was £12k (2022: £20k). The Trust is under no legal obligation to continue with these payments and accordingly the accounts do not include any estimate, actuarial or otherwise, of a possible total future commitment.

21. RELATED PARTIES

Five (2022: Four) of the Governors had children at the School during the year, for which they are charged normal fees and extras as agreed in the standard parent-school contract.

In addition to assisting the school in raising funds, Governors themselves make charitable donations to the school from time to time, but there is no requirement to do so. The total charitable contributions in the year from Governors was £5k (2022: £2k).

The School also had transactions with its subsidiary company, Dragon School Trading Limited, which are detailed in note 28.

There were no other related party transactions in the current or previous year.

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22. CAPITAL COMMITMENTS

The School had capital commitments of £6,192k (2022: none) with respect to building contracts in progress at the year-end. There were no amounts committed but not yet contracted.

23. FINANCE LEASE COMMITMENTS

The School has no future minimum lease commitments under non-cancellable finance leases.

24. OPERATING LEASE COMMITMENTS

The School had total future minimum lease commitments under non-cancellable operating leases as follows:

	Group and parent company	
	2023 £'000	2022 £'000
Other		
Due within 1 year	68	2
Due 2-5 years	247	12
	<hr/>	<hr/>

The total operating lease expense recognised in the SoFA for the year is £36k (2022: £15k).

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25. FUNDS: DETAILED MOVEMENTS

	Balance at 1 Sept 2022 £'000	Incoming resources £'000	Outgoing resources £'000	Investment gains/ (losses) £'000	Transfers between funds £'000	Balance at 31 Aug 2023 £'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	445	-	-	-	-	445
	<u>448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>448</u>
<b>RESTRICTED FUNDS</b>						
Knatchbull Memorial fund	73	24	-	8	-	105
Bursaries funds	933	345	(345)	15	-	948
Capital fund	3,663	127	-	-	(3,790)	-
Development fund	266	47	-	-	-	313
	<u>4,935</u>	<u>543</u>	<u>(345)</u>	<u>23</u>	<u>(3,790)</u>	<u>1,366</u>
<b>UNRESTRICTED FUNDS</b>						
Prepaid fees	-	-	(11)	-	11	-
General fund	30,255	20,932	(20,054)	41	3,836	35,010
	<u>30,255</u>	<u>20,932</u>	<u>(20,065)</u>	<u>41</u>	<u>3,847</u>	<u>35,010</u>
<b>CHARITY total funds</b>	<u>35,638</u>	<u>21,475</u>	<u>(20,410)</u>	<u>64</u>	<u>57</u>	<u>36,824</u>
Non-charity trading funds	57	54	(17)	-	(57)	37
<b>GROUP</b>	<u>35,695</u>	<u>21,529</u>	<u>(20,427)</u>	<u>64</u>	<u>-</u>	<u>36,861</u>
<i>Prior year comparative information</i>	<i>Balance at 1 Sept 2021 £'000</i>	<i>Incoming resources £'000</i>	<i>Outgoing resources £'000</i>	<i>Investment gains/ (losses) £'000</i>	<i>Transfers between funds £'000</i>	<i>Balance at 31 Aug 2022 £'000</i>
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	445	-	-	-	-	445
	<u>448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>448</u>
<b>RESTRICTED FUNDS</b>						
Knatchbull Memorial fund	76	3	(1)	(5)	-	73
Bursaries funds	1,300	447	(394)	(25)	(395)	933
Capital fund	2,151	1,512	-	-	-	3,663
Development fund	212	86	-	-	(32)	266
	<u>3,739</u>	<u>2,048</u>	<u>(395)</u>	<u>(30)</u>	<u>(427)</u>	<u>4,935</u>
<b>UNRESTRICTED FUNDS</b>						
Prepaid fees	-	-	(11)	-	11	-
General fund	29,521	18,781	(18,886)	415	424	30,255
	<u>29,521</u>	<u>18,781</u>	<u>(18,897)</u>	<u>415</u>	<u>435</u>	<u>30,255</u>
<b>CHARITY total funds</b>	<u>33,708</u>	<u>20,829</u>	<u>(19,292)</u>	<u>385</u>	<u>8</u>	<u>35,638</u>
Non-charity trading funds	8	109	(52)	-	(8)	57
<b>GROUP</b>	<u>33,716</u>	<u>20,938</u>	<u>(19,344)</u>	<u>385</u>	<u>-</u>	<u>35,695</u>

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26. FUNDS: NET ASSETS	Fixed Assets	Invest- ments	Other net current assets	Long term liabilities	Total net Assets at 31 Aug 2023
	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	420	25	-	445
	-	420	28	-	448
<b>RESTRICTED FUNDS</b>					
Knatchbull Memorial fund	-	63	42	-	105
Bursaries funds	-	985	(37)	-	948
Development fund	-	-	313	-	313
	-	1,048	318	-	1,366
<b>UNRESTRICTED FUNDS</b>					
Prepaid fees	-	-	165	(165)	-
General fund	47,823	3,247	15,946	(32,006)	35,010
	47,823	3,247	16,111	(32,171)	35,010
<b>CHARITY total funds</b>	47,823	4,715	16,457	(32,171)	36,824
<b>Non-charity trading funds</b>	-	-	37	-	37
<b>GROUP</b>	47,823	4,715	16,494	(32,171)	36,861
<i>Prior year comparative information</i>					
	<i>Fixed Assets</i>	<i>Invest- ments</i>	<i>Other net current assets</i>	<i>Long term liabilities</i>	<i>Total net assets at 31 Aug 2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>ENDOWMENT FUND</i>	<i>-</i>	<i>-</i>	<i>3</i>	<i>-</i>	<i>3</i>
<i>ENDOWED BURSARIES FUND</i>	<i>-</i>	<i>417</i>	<i>28</i>	<i>-</i>	<i>445</i>
	<i>-</i>	<i>417</i>	<i>31</i>	<i>-</i>	<i>448</i>
<b>RESTRICTED FUNDS</b>					
<i>Knatchbull Memorial fund</i>	<i>-</i>	<i>63</i>	<i>10</i>	<i>-</i>	<i>73</i>
<i>Bursaries funds</i>	<i>-</i>	<i>977</i>	<i>(44)</i>	<i>-</i>	<i>933</i>
<i>Capital fund</i>	<i>-</i>	<i>-</i>	<i>3,663</i>	<i>-</i>	<i>3,663</i>
<i>Development fund</i>	<i>-</i>	<i>-</i>	<i>266</i>	<i>-</i>	<i>266</i>
	<i>-</i>	<i>1,040</i>	<i>3,895</i>	<i>-</i>	<i>4,935</i>
<b>UNRESTRICTED FUNDS</b>					
<i>Prepaid fees</i>	<i>-</i>	<i>-</i>	<i>711</i>	<i>(711)</i>	<i>-</i>
<i>General fund</i>	<i>41,850</i>	<i>1,659</i>	<i>18,794</i>	<i>(32,048)</i>	<i>30,255</i>
	<i>41,850</i>	<i>1,659</i>	<i>19,505</i>	<i>(32,759)</i>	<i>30,255</i>
<b>CHARITY total funds</b>	41,850	3,116	23,431	(32,759)	35,638
<b>Non-charity trading funds</b>	-	-	57	-	57
<b>GROUP</b>	41,850	3,116	23,488	(32,759)	35,695

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27. FUNDS: EXPLANATORY NOTES

- a) The Endowment fund represent amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997.
- b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries.
- c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources.
- d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources. Additional fee concessions and support are provided from the general fund.
- e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the school's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes as funds are transferred to the General fund when spent.
- f) The 'Capital fund' represented unspent donations raised for building projects – primarily the Music School. Amounts spent on the specific buildings have been transferred from the Capital fund to the general fund in the year the expenditure is incurred and the balance is zero at the year end due to the fact that the Music School and other projects are sufficiently advanced to have incurred the relevant expenditure.
- g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments in government stocks and cash deposits are held against the future liabilities.

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28. TRADING SUBSIDIARY

The Trust holds 100 ordinary shares of £1 each, representing 100% of the issued share capital of Dragon School Trading Limited, a company incorporated in England and Wales. The value of the investment as determined by the equity method is £100. These shares are included on the parent company balance sheet as investments held as fixed assets:

	2023	2022
	£	£
Shares in subsidiary company at cost	100	100

The Trust advances working capital as necessary to the trading company to finance its operations. Interest is charged on the amount outstanding from time to time at the same rate as charged by the Trust's bankers.

The Trading company's results for the year, and balance sheet at the year end, from the audited accounts, are summarised below:

	2023	2022
	£'000	£'000
Turnover	54	109
Cost of sales	(6)	(29)
Gross profit	48	80
Administration expenses	(13)	(23)
Profit for the financial year	35	57
To be paid to Dragon School Trust Ltd under gift aid	35	57
Generated for parent company:		
Surplus above	35	57
Management charges from Trust	4	4
	39	61
Current assets	21	93
Intercompany account	19	(6)
Current liabilities	(5)	(30)
Net assets	35	57
Called up share capital	-	-
General reserves	35	57
	35	57

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29. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2022
	£'000	£'000	£'000	£'000
INCOME FROM:				
Charitable activities				
School fees	18,658	-	-	18,658
Other educational	80	-	-	80
Other ancillary trading	5	-	-	5
Other trading activities				
Non-ancillary trading	109	-	-	109
Investments				
Investment income	5	3	-	8
Bank and other interest	33	-	-	33
Voluntary sources				
Donations and legacies	-	2,045	-	2,045
Government grants	-	-	-	-
Total income	<u>18,890</u>	<u>2,048</u>	<u>-</u>	<u>20,938</u>
EXPENDITURE ON:				
Raising funds				
Fundraising for voluntary resources	282	-	-	282
Trading	28	-	-	28
Other	59	-	-	59
Total costs of raising funds	<u>369</u>	<u>-</u>	<u>-</u>	<u>369</u>
Charitable activities				
Schools and grantmaking	17,940	395	-	18,335
Schools - financing costs	640	-	-	640
Total costs of charitable activities	<u>18,580</u>	<u>395</u>	<u>-</u>	<u>18,975</u>
Total expenditure	<u>18,949</u>	<u>395</u>	<u>-</u>	<u>19,344</u>
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)				
Investment gains/(losses)	(59)	1,653	-	1,594
Investment gains/(losses)	(67)	(30)	-	(97)
NET INCOME	<u>(126)</u>	<u>1,623</u>	<u>-</u>	<u>1,497</u>
Fair Value gains	482	-	-	482
Transfers between funds	427	(427)	-	-
NET MOVEMENT IN FUNDS	<u>783</u>	<u>1,196</u>	<u>-</u>	<u>1,979</u>
Fund balances at 1 September 2022	<u>29,529</u>	<u>3,739</u>	<u>448</u>	<u>33,716</u>
FUND BALANCES AT 31 AUGUST 2023	<u><u>30,312</u></u>	<u><u>4,935</u></u>	<u><u>448</u></u>	<u><u>35,695</u></u>