

Registered number: 01072074
Charity number: 310279

THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Governors	Mr M.A. Burchfield, Chair Mrs H.M. Archer Mr C.R.G. Biggin Lady E.J. Burgh (resigned 24 October 2019) Mr J.M. Collard Mr D.J. Ferris Mr S.W. Holliday (resigned 20 June 2020) Mrs N.A. Huggett (resigned 20 June 2020) Mr J.A. Isaacs Mr T.P. Lloyd-Jones Mr B.J. Northover Mrs R. Tear Dr R.S. Thomson Mrs R.E. Thornton MR C.N.I. Tuttiett (appointed 20 June 2020) Mrs H. Mack (appointed 14 March 2020)
Company registered number	01072074
Charity registered number	310279
Registered office	The Downs School Charlton House Wraxall Bristol North Somerset BS48 1PF
Company secretary	Mrs H.L. Walker
Headmaster	Mr M.A. Gunn (retired 6 July 2020) Mrs D Isaachsen (appointed 1 September 2020)
Independent auditors	Bishop Fleming LLP Chartered Accountants 10 Temple Back Bristol BS1 6FL
Bankers	Barclays Bank plc 4th Floor, Bridgewater House Counterslip Finzels Reach Bristol BS1 6BX
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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**TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Governors, who are the Directors for the purposes of company law, are also required under the Articles to serve as members of the Company. The Board of Governors present their Annual Report for the year ended 31st August 2020 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for the year.

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association, last amended on 11th October 2013.

Governing Body

Governors are elected in accordance with the Company's Articles of Association and serve for a term of three years whereupon they are eligible for re-election. The Chair is appointed by the Board of Governors and serves for five years.

The Board acknowledges the need to recruit new members from time to time who can bring a broad range of professional knowledge and skill appropriate for effective governance. The Governors' Development Committee advises the Board on these needs, and identifies potential future members. Governors are recruited from the local business community, the School's own community and the region's educational establishments. Their membership is proposed and considered at Board meetings. Once appointed, they attend a formal induction at the School.

All Governors give freely of their time and no remuneration or expenses were paid in this year.

Organisational Management

The Board of Governors meet formally at least three times per annum, that is at least once in each academic term. A number of Committees are formed from the Governing Body and key management personnel. These Committees support the aim of monitoring the School's performance and activities against its objectives and determining its policies as set out in its Scheme of Governance. The Committees met at least once in each academic term and provide a full Committee report to the Board.

Finance Committee	Mr T. P. Lloyd-Jones (Chair) Mr C.R.G. Biggin Mr M. A. Burchfield Mr J.M. Collard Mr M.A. Gunn Mrs H. Mack (appointed 14 March 2020) Mrs R.E. Thornton Mr C.N.I. Tuttiett (appointed 20 June 2020) Mrs H.L. Walker
Bursary Committee	Mr T. P. Lloyd-Jones (Chair) Mr M.A. Gunn Mrs R.E. Thornton Mrs H. L. Walker

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FOR THE YEAR ENDED 31 AUGUST 2020**

Strategy Committee	Mr M.A. Burchfield (Chair) Lady E.J. Burgh (resigned 24 October 2019) Mr J.M. Collard Mr D.J. Ferris Mr M.A. Gunn Mr J.A. Isaacs Mr C.N.I. Tuttielt (appointed 20 June 2020) Mr B.J. Northover Mrs H.L. Walker
Nursery Committee	Mr J. M. Collard (Chair) Mrs H. M. Archer Mr M. A. Gunn Mr M. A. Newman Dr R. S Thomson Mrs R. E. Thornton Mrs H. L. Walker
Remuneration Committee	Mrs R. E. Thornton (Chair) Mr M. A. Burchfield Mr M.A. Gunn Mrs H.L. Walker
Education Committee	Mr S.W. Holliday (Chair) (Retired 20 June 2020) Mr M.A. Gunn Mrs N.A. Huggett Mrs R. Tear
Risk and Regulatory Committee	Mr B.J. Northover (Chair) Mrs H.M. Archer Ms H.M. Fulton Mr M.A. Gunn Mrs R. Tear Dr. R. S. Thomson Mrs H.L. Walker
Governors' Development Committee	Mr J.A. Isaacs (Chair) Lady E.J. Burgh (Resigned 20 June 2020) Mr M. A. Burchfield Mr M.A. Gunn Mr B.J. Northover
Health and Safety Committee	Mrs H.L. Walker (Chair) Mr P.A. Brockwell Mr J. M. Collard Ms H.M. Fulton Mr M.A. Gunn Mrs R.E. Thornton
Downs School Association Committee	Mrs V. Sweetman (Chair) Mrs K. Northover (Secretary) Mrs G. Hagger (Treasurer)

This year saw the retirement of Marcus Gunn who had been Headteacher since September 2001. The Governors are delighted to welcome his successor, Mrs Debbie Isaachsen.

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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

The day-to-day running of the School is delegated to the Head and the Bursar, as key management personnel, via the Scheme of Governance. They are supported by other teaching members of the Senior Management Team being the Assistant Heads of the School.

The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Company's success. Delivery of the Company's charitable vision and purpose is primarily dependent on the key management personnel and staff costs are the largest single element of our charitable expenditure.

Principal Risks and Uncertainties

The Board, supported by the Strategy and Finance Committees, reviews the School's current and planned future strategic activities in light of any major risks arising from time to time.

The School has a Risk Register where significant risks are monitored by the full Board and lower risks are delegated to appropriate committees for consideration. Selected committees also monitor and evaluate key policies and their implementation in order to effectively manage risk. These committees report their findings to the Risk and Regulatory Committee which reports to the Board.

Risks are also mitigated by maintaining effective internal controls in all compliance and legislative matters, through the regular monitoring of these controls and insurance cover where appropriate.

The Board consider that the following factors present the most significant risks to the School.

COVID-19 PANDEMIC

The pandemic hit the UK most forcibly in March 2020 when the UK government placed the nation into full lockdown. The School closed to all pupils other than those who are children of critical workers one week before the onset of the School's Easter holiday closure. Through the Easter break, teaching and IT staff had to swiftly implement a timetable of remote learning and coach both parents and children on accessing lessons from home.

In view of the full premises closure and therefore the reduction in access to the broad educational provision provided by the Downs, the Governors responded to market expectations that a reduction in fees should be effected in the Summer term invoices. The School was able to access the Coronavirus Job Retention Scheme in order to protect the employment of those staff whose services could not be employed throughout the Summer term in the remote teaching structure.

A limited return to school for year groups Reception, 1 and 6 was authorized by the UK government from June 2020. Pupils in other year groups were able to attend for short periods before the Summer holiday closure on 6 July 2020.

The School reopened for all pupils in September 2020. Thorough risk assessments were undertaken in line with the DfE's guidance and control measures for the safe reopening of schools. Many routines and practices have been adjusted to reduce risk of transmission of infection and to keep as many pupils and staff in school as possible enjoying as full a normal service as possible throughout the Autumn 2020 term.

At the time of completing this report, the UK is in a further full lockdown and measures similar to those effected in the Summer 2020 term are being implemented anew. The School has built on the highly effective means to deliver education remotely and offers a full and broad curriculum.

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FOR THE YEAR ENDED 31 AUGUST 2020**

The full extent of the impact of the pandemic may not be known to the School for some time. There are ongoing risks and uncertainties (at the time of writing).

- Further waves of infection and therefore lockdowns and closures cannot be ruled out.
- Many industries in which the parent body operate and are employed have been severely financially affected by the pandemic and its lockdowns. The impact on wealth and reserves of parents who pay school fees may take some time to emerge. The School has provided additional fee support from the outset but economic commentators warn that the effects may last for months and years.
- Whilst the recognition for the School's excellent remote teaching provision has been far-reaching, financial hardship may increase caution in prospective parents considering an independent education and demand for places and therefore pupil numbers may be affected in the short to medium term.
- Loss of lettings income will take some time to recover to pre-pandemic levels

The Governors and Senior Management Team have recognized these risks and have taken the following action:

- Ensured that the School's reserves have been protected by accessing the Coronavirus Business Interruption Loan Scheme
- Made available additional short term fee support to existing families where possible and maintained close communication with parents in hardship due to the pandemic
- Non-essential expenditure has been deferred
- Access to additional funding in case of need has been arranged with supportive bankers
- Maintained open and clear communication with the parent body

OTHER RISKS

- The possible impact on pupil numbers from price competition from other local independent schools
- A possible downturn in the demand driven by rising costs of provision of independent education
- General economic tension amongst UK business including concerns over the UK's departure from the European Union
- Loss of key personnel could affect the efficient operation of the School and its financial controls
- Increasing competition to recruit high quality teaching staff could impact on reputation and perceived quality of teaching
- Ongoing Covid-19 control measures make thorough recruitment interviewing for new staff more challenging, as is the provision of access for prospective parents to see the School's full offering
- An incident involving harm to a pupil could lead to severe reputational damage

In the view of the Board, the School has established resources which should ensure that these risks are managed to an acceptable level in its day-to-day operations. In the longer term, strategic planning and management aim to reduce the potential impact of risk factors.

OBJECTS, PUBLIC BENEFIT AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

Objects

The object of the Charitable Company, in accordance with its Memorandum of Association, is to promote and provide for the advancement of education for boys and girls.

- Focus on maximizing academic attainment for pupils of all levels of ability;
- Know and thoroughly understand every pupil, their individual interests, strengths and needs and to provide for individual well being;
- Complement academic rigor with an extensive offering in sport, the performing arts and a broad range of extra curricula activity accessible to all;
- Maximise the use of the stunning rural surroundings through focus on activity in the open air;
- Prepare each pupil for their best choice of senior school and for the demands of life beyond school;

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- Safeguard every pupil and member of the School community and ensure that a safe and nurturing environment is always provided;
- Employ a highly motivated and inspirational body of staff to take all pupils to the limits of their potential;
- Have continuity of talented leadership and a clear succession plan;
- Maximise the potential of our assets through maintaining, renewing and developing new facilities to enhance our pupils' learning experience;
- Maintain a stable financial model, securing the long term financial future of the School;
- Continue to develop into the Nursery/Pre-School sector in order to create new income streams and to support the School's recruitment of future pupils; and
- Research and further develop new income streams to support financial stability

Principal activity and income sources

The Company's principal activity continues to be the provision of a Day School for 4 – 13 year old boys and girls. The principal source of income is therefore from tuition fees and from related educational and extra-curricular activities. Other revenue is derived from the letting of facilities for sport, recreation, private parties and functions.

The Company's subsidiary, Downs School Enterprises Limited, was established in June 2017 and opened its nursery, 'Bertie's', in January 2018 providing year round day care and Pre-School facilities for children aged 6 months to 4 years. Trading performance showed a move as the Covid-19 pandemic forced its closure from March to June 2020. The subsidiary is now trading at a surplus; some of its surplus income will be used to support and maintain the parent company and to boost the Group's reserves.

Recruitment of pupils from the Nursery to the School's Reception year is strong and continues to grow in line with Nursery growth. Operating with waiting lists, Bertie's Nursery has capacity for growth where premises can be expanded and increased staff recruited. The Directors recognise the need to be highly selective in staff recruitment and the business will only grow as excellent staff can be selected to join the team.

Grant-making and access-widening

The School provided means tested bursaries totalling £242,892 and was able to support 37 (2019: 36) pupils over the course of the year through its bursary scheme. Of these pupils, 13 received at least 50% support by way of fee remission. Fee assistance by way of bursaries accounted for 6.66% (2019: 5.73%) of gross tuition fee income. This increase is largely attributable to discounted fee rates in the Summer 2020 term and an increase in short term support for families in financial difficulty due to the pandemic. Without this support, these pupils would have been unable to attend the School.

The bursary policy contributes to a widening of access to the education on offer and the facilities enjoyed. It is important to the School that access is not restricted to those who can afford the fees. Bursaries are made on a means-tested assessment and reviewed annually. Application is available to potential and existing pupils at the School. In exceptional cases, support up to 100% can be considered.

Whilst the Covid-19 pandemic has stifled much activity in the second part of the academic year, the School allows various organisations to use its sports facilities, grounds and other resources at little or no cost. The charity, Children's Hospice South West (CHSW), is located close to the School. CHSW from time to time uses the School's premises for fundraising meetings without charge. A local children's musical theatre company stage their productions in the School's theatre.

The house system within the School facilitates charity fund raising days in order for each of the four houses to choose a charity and organise a themed day where the whole school participates. Guest speakers attend to explain the objects of their charity and the impact on recipients of the funds raised. Pupils' fundraising activities generated £4,450 in the year.

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The School aims to provide an excellent academic experience with the highest standards of teaching and assessment. This is balanced with a broad curriculum and that embraces equally sport and the performing arts.

A large majority of the pupils learn at least one musical instrument and lessons can be accessed by all age groups. All children in the Prep School are in a choir and pupils throughout the School will all take part in a theatre production each academic year. Forced closure from March 2020 resulted in the deferral of many performance events but the senior pupils still staged an ambitious interpretation of 'Twelfth Night' and Year 5 presented the musical 'Olivia' based on a selection of Victorian tales. There have been many concerts, formal and informal, choral and orchestral, and the popular annual 'Battle of the Bands'.

Around 70% of pupils participated in dance lessons comprising ballet, tap, jazz or street and more than 30% took part in speech and drama lessons. The School refurbished its 100-seater theatre this year, installing a new floor compatible with the requirements for bigger more ambitious dance and musical productions. Sound and lighting systems were also improved.

Pupils are prepared for the Common Entrance examinations at the end of Year 8. Due to Covid-19, these examinations had to be prepared for conducted under remote conditions. In spite of additional challenges, our pupils achieved strong results gaining access to their first choice of senior school. Many are awarded scholarships and this year was no exception. This year's leavers achieved the following:

Academic	6 scholarships; 2 exhibitions
All round	1 scholarships
Sport	5 scholarships

Much of the focus of Year 8 is preparing pupils for their senior schools and instilling in them a sense of personal confidence and achievement. They are given more independence and responsibility. In a normal year, opportunities for senior pupils would include skiing in Europe, taking part in an exchange with pupils from a school in Madrid, and/or to join a tour of the Battlefields of Northern France and Belgium. All Year 8 pupils attend a Leavers' Camp at a water sports centre in North Cornwall for the penultimate week of their final term.

The School continued its rolling programme of the refurbishment of teaching spaces, installing the latest technology best suited to the advancement of teaching and learning, and particularly of independent or more pupil-driven learning. The rolling IT renewal programme has ensured that the School has been well-equipped to manage the technical challenges of remote learning in 2020.

The School recognizes the challenges of growing up in the current day and the increased incidence of mental health issues amongst young people. The School's Pastoral Care Team have been mindful of the impact on young people of the absence of contact and activity with their peers during the pandemic and have been proactive in making regular contact with children who do not appear to be fully engaged. The School's Counsellor service is now embedded in the timetable and provides flexible support to individuals and groups, pupils, parents and staff.

Fundraising performance

Donations and gifts in the year amounted to £47,769 (2019: £98,617).

Current year donations are represented by parents' regular termly donations to the Downs School Association ("DSA") (£9,175) where the distribution of these funds is determined by an elected Committee that comprises parents and some staff and who report to the School's main Board of Governors. Other donations amounted to £38,594. With the exception of £1,094 donated specifically for garden planting and equipment, the large majority of funds have been given on an unrestricted basis. The School aims to invest some of these funds in developing its teaching staff and to support the School's programme for pastoral care and wellbeing.

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FOR THE YEAR ENDED 31 AUGUST 2020**

The DSA raise funds through events in which both parents, pupils and staff participate; the Fireworks Night, and Summer fete being amongst the best attended in a normal year. In the year, the DSA contributed to the refurbishment of the theatre (£7,500), and equipment for after school clubs (£1,560).

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The operating surplus for the year amounted to £284,822 (2019: £375,577), for the School against an average number of pupils of 260 (2019: 275). The ongoing working capital requirements of the Nursery, operated by the subsidiary, Downs School Enterprises Limited, generated a loss for the subsidiary of £59,493 bringing about a consolidated surplus of £225,334 (2019: £302,100).

Consolidated funds of the School and its subsidiary have therefore increased by £225,334 to £3,498,032 (2019: £3,272,703).

RESERVES POLICY

Total reserves are £3,498,032 (2019: £3,272,703), of which £3,868,371 (2019 : £3,977,444) comprises fixed assets. This leaves £533,575 (2019: £306,427) as free reserves after taking into account loans secured on the fixed assets of the charity of £903,914 (2019: £1,011,173). There are no restricted funds.

The level of reserves is considered sufficient for the immediate needs of the Group. The policy remains to build up free reserves to maintain the high standard of educational services currently provided including a regular programme of renewal of resources including IT, and to balance this with future capital expenditure requirements and the demands of maintaining the Group's extensive grounds and historic buildings.

GOING CONCERN

After making appropriate enquiries, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The financial impact of Covid-19 has resulted in reduced income and therefore a reduced surplus in the year. Some expenditure has been deferred and so the immediate impact on reserves is a reduction in growth rather than a reduction in reserves themselves.

The Governors have secured access to additional bank funding in case of need. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Future Plans and Reserves

The Board maintains its intent to continually reinvest in the infrastructure of the School to secure its future. The retention of good operating surpluses in the past five years has provided cash reserves that have enabled the Board to invest and diversify and yet still hold significant contingent funds for any unforeseen requirements including changes in demand for working capital.

Focus in the forthcoming year is to continue develop the Pre-School nursery business whose future surpluses will support the School's mandate to provide an excellent all-round education provision at an affordable cost.

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. 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 Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:



Mr M.A. Burchfield
Chair of Governors
Date: 13/3/21

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED

OPINION

We have audited the financial statements of The Downs School (Charlton House) Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED (CONTINUED)

OTHER INFORMATION

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Governors' Report and from the requirement to prepare a Strategic Report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED (CONTINUED)

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back

Bristol
BS1 6FL

Date:

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Donations and legacies	4	46,675	1,094	47,769	98,617
Charitable activities		3,433,649	-	3,433,649	3,933,238
Other trading activities	6	494,456	-	494,456	513,045
Investments	7	2,972	-	2,972	3,999
Other income	8	151,824	-	151,824	-
TOTAL INCOME		4,129,576	1,094	4,130,670	4,548,899
EXPENDITURE ON:					
Raising funds	9	493,274	-	493,274	501,673
Charitable activities		3,410,968	1,099	3,412,067	3,745,126
TOTAL EXPENDITURE		3,904,242	1,099	3,905,341	4,246,799
NET MOVEMENT IN FUNDS		225,334	(5)	225,329	302,100
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,272,698	5	3,272,703	2,970,603
Net movement in funds		225,334	(5)	225,329	302,100
TOTAL FUNDS CARRIED FORWARD		3,498,032	-	3,498,032	3,272,703

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 38 form part of these financial statements.

THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01072074

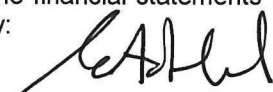
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	3,868,371	3,977,444
		<u>3,868,371</u>	<u>3,977,444</u>
CURRENT ASSETS			
Stocks	15	18,936	24,425
Debtors	16	190,762	184,547
Cash at bank and in hand		1,030,318	852,950
		<u>1,240,016</u>	<u>1,061,922</u>
Creditors: amounts falling due within one year	17	(801,557)	(1,008,062)
NET CURRENT ASSETS		<u>438,459</u>	<u>53,860</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,306,830</u>	<u>4,031,304</u>
Creditors: amounts falling due after more than one year	18	(808,798)	(758,601)
TOTAL NET ASSETS		<u><u>3,498,032</u></u>	<u><u>3,272,703</u></u>
CHARITY FUNDS			
Restricted funds	19	-	5
Unrestricted funds	19	3,498,032	3,272,698
TOTAL FUNDS		<u><u>3,498,032</u></u>	<u><u>3,272,703</u></u>

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



Mr M.A. Burchfield
 Chairman

Date: 13/3/21

The notes on pages 17 to 38 form part of these financial statements.

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01072074**


**COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	3,823,760	3,918,861
Investments	14	1	1
		<u>3,823,761</u>	<u>3,918,862</u>
CURRENT ASSETS			
Stocks	15	16,685	22,534
Debtors	16	516,494	484,772
Cash at bank and in hand		1,012,436	790,257
		<u>1,545,615</u>	<u>1,297,563</u>
Creditors: amounts falling due within one year	17	(778,491)	(960,559)
		<u>767,124</u>	<u>337,004</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,590,885</u>	<u>4,255,866</u>
Creditors: amounts falling due after more than one year	18	(808,798)	(758,601)
TOTAL NET ASSETS		<u><u>3,782,087</u></u>	<u><u>3,497,265</u></u>
CHARITY FUNDS			
Restricted funds	19	-	5
Unrestricted funds	19	3,782,087	3,497,260
TOTAL FUNDS		<u><u>3,782,087</u></u>	<u><u>3,497,265</u></u>

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:


Mr M.A. Burchfield
Chairman

Date: 13/3/21

The notes on pages 17 to 38 form part of these financial statements.

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	21	392,383	409,544
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		2,972	3,999
Proceeds from the sale of tangible fixed assets		-	1,947
Purchase of tangible fixed assets		(108,028)	(111,025)
Bank interest paid		(5,495)	(3,976)
NET CASH USED IN INVESTING ACTIVITIES		(110,551)	(109,055)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from new borrowing		156,548	-
Repayments of borrowing		(236,817)	(116,812)
Repayment of hire purchase loans		(10,884)	(5,516)
Interest paid on borrowings		(13,311)	3,788
NET CASH USED IN FINANCING ACTIVITIES		(104,464)	(118,540)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		177,368	181,949
Cash and cash equivalents at the beginning of the year		852,950	671,001
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	1,030,318	852,950

The notes on pages 17 to 38 form part of these financial statements

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. GENERAL INFORMATION

The Downs School (Charlton House) Limited is a company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The registered office is The Downs School, Charlton House, Wraxall, Bristol, North Somerset, BS48 1PF.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Downs School (Charlton House) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The income and expenditure account for the year dealt with in the accounts of the Company was £90,755 (2019: £207,645).

2.2 COMPANY STATUS

The Company is a company limited by guarantee. The members of the Company are the Governors named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

2.3 GOING CONCERN

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. After making appropriate enquiries, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. It is anticipated that the COVID-19 pandemic will diminish cash reserves but not deplete them and the School has access to the Coronavirus Business Interruption Loan Scheme (CBILS). Contingencies for raising cash are continually explored. (See Trustees' report). For this reason they continue to adopt the going concern basis in preparing the financial statements.

2.4 INCOME

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees receivable and similar income represent fees from ordinary activities and are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships, and other remissions granted by the School.

2. ACCOUNTING POLICIES (continued)

2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Company's operations, including support costs and costs relating to the governance of the Company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 TAXATION

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. ACCOUNTING POLICIES (continued)

2.8 TANGIBLE FIXED ASSETS AND DEPRECIATION (CONTINUED)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method

Depreciation is provided on the following bases:

Freehold property	- Over 75 years
Freehold improvements	- Over 50 or 25 years
Motor vehicles	- Over 4 years
Furniture and equipment	- Over 10 years
Computer equipment	- Over 4 years
Grounds maintenance machinery	- Over 10 years

2.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.11 DEBTORS

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

2.12 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. ACCOUNTING POLICIES (continued)

2.14 FINANCE LEASES AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 PENSIONS

The School operates three pension schemes.

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The School also operates two defined contribution pension scheme and the pension charge represents the amounts payable by the School to the fund in respect of the year.

2.16 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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.

Critical accounting estimates and assumptions:

Operating lease commitments

The School has entered into leases for motor vehicles and equipment as a lessor and as a lessee it obtains use of the related assets. The classification of such leases as operating or finance lease requires the School to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

There are no critical accounting estimates.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
General Donations	37,500	1,094	38,594	87,814
The Downs School Association	9,175	-	9,175	10,803
	<u>46,675</u>	<u>1,094</u>	<u>47,769</u>	<u>98,617</u>
TOTAL 2019	<u>98,503</u>	<u>114</u>	<u>98,617</u>	

5. INCOME FROM CHARITABLE ACTIVITIES

	2020 £	2019 £
Gross fees receivable	3,656,461	4,057,860
Bursaries and scholarships	(484,691)	(505,691)
Income from rechargeable expenditure	257,829	376,619
Registration fees	4,050	4,450
	<u>3,433,649</u>	<u>3,933,238</u>

THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	14,583	14,583	18,272
Other income	8,029	8,029	13,894
Fundraising income	10,921	10,921	14,986
	<u>33,533</u>	<u>33,533</u>	<u>47,152</u>
TOTAL 2019	<u>47,152</u>	<u>47,152</u>	

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Nursery Income	460,923	460,923	465,893
	<u>460,923</u>	<u>460,923</u>	<u>465,893</u>
TOTAL 2019	<u>465,893</u>	<u>465,893</u>	

7. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental Income	400	400	400
Bank Interest	2,572	2,572	3,599
	<u>2,972</u>	<u>2,972</u>	<u>3,999</u>
TOTAL 2019	<u>3,999</u>	<u>3,999</u>	

THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
CJRS income	151,824	151,824	-

9. EXPENDITURE ON RAISING FUNDS

Expenditure on fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fundraising expenditure	5,542	5,542	8,796
TOTAL 2019	8,796	8,796	

Expenditure from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Nursery expenditure	487,632	487,632	492,877
Interest payable	100	100	-
TOTAL 2019	487,732	487,732	492,877

THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	2,538,399	873,668	3,412,067	3,745,126
TOTAL 2019	<u>2,720,161</u>	<u>1,024,965</u>	<u>3,745,126</u>	

Analysis of direct costs

	Total funds 2020 £
Staff costs	1,993,796
Depreciation	95,623
Educational supplies	158,229
Household and welfare	15,721
Catering	222,750
Transport	52,280
	<u>2,538,399</u>

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2020 £
Staff costs	353,193
Depreciation	105,929
Educational supplies	28,452
Other costs	31,609
Premises costs	171,122
Grounds maintenance	49,070
Management expenses	84,186
Financing expenses	20,541
Legal and professional	16,884
Bank interest and charges	-
Governance	12,682
	<u><u>873,668</u></u>

11. NET INCOME/(EXPENDITURE)

	2020 £	2019 £
Depreciation of tangible fixed assets: - owned by the charitable group	217,101	206,503
Fees payable to the Company's auditor in respect of:		
Auditors' remuneration - audit	11,400	11,000
Auditors' remuneration - other services	400	360
Operating lease rentals	27,570	23,739
	<u><u>27,570</u></u>	<u><u>23,739</u></u>

During the year, no Governors received any remuneration (2019: £NIL).

During the year, no Governors received any benefits in kind (2019: £NIL).

During the year, no Governors received any reimbursement of expenses (2019: £NIL).

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. STAFF COSTS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	1,859,770	1,899,531	1,859,770	1,899,531
Social security costs	166,579	169,029	166,579	169,029
Contribution to pension schemes	320,640	230,645	320,640	230,645
	<u>2,346,989</u>	<u>2,299,205</u>	<u>2,346,989</u>	<u>2,299,205</u>

The average number of persons employed by the Company during the year was as follows:

	Group 2020 No.	Group 2019 No.
Teaching staff	44	46
Administrative staff	43	36
	<u>87</u>	<u>82</u>

The average headcount expressed as full-time equivalents was:

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Teaching staff	34	35	34	35
Administrative staff	38	25	24	25
	<u>72</u>	<u>60</u>	<u>58</u>	<u>60</u>

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

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

The key management personnel of the School comprises the Governors (who do not receive remuneration for their role as Governors) and the Senior Management Team. The total amount of employee benefits (including employer pension contributions and employer's national insurance) received by key management personnel for their services to the School was £429,099 (2019: £341,056).

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
COST OR VALUATION						
At 1 September 2019	5,158,060	9,100	961,163	262,939	188,368	6,579,630
Additions	420	2,800	67,273	37,535	-	108,028
Disposals	-	-	-	(7,782)	-	(7,782)
At 31 August 2020	<u>5,158,480</u>	<u>11,900</u>	<u>1,028,436</u>	<u>292,692</u>	<u>188,368</u>	<u>6,679,876</u>
DEPRECIATION						
At 1 September 2019	1,642,906	8,900	632,122	209,225	109,033	2,602,186
Charge for the year	93,112	800	74,410	36,762	12,017	217,101
On disposals	-	-	-	(7,782)	-	(7,782)
At 31 August 2020	<u>1,736,018</u>	<u>9,700</u>	<u>706,532</u>	<u>238,205</u>	<u>121,050</u>	<u>2,811,505</u>
NET BOOK VALUE						
At 31 August 2020	<u><u>3,422,462</u></u>	<u><u>2,200</u></u>	<u><u>321,904</u></u>	<u><u>54,487</u></u>	<u><u>67,318</u></u>	<u><u>3,868,371</u></u>
At 31 August 2019	<u><u>3,515,154</u></u>	<u><u>200</u></u>	<u><u>329,041</u></u>	<u><u>53,714</u></u>	<u><u>79,335</u></u>	<u><u>3,977,444</u></u>

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. TANGIBLE FIXED ASSETS (CONTINUED)

COMPANY

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
COST OR VALUATION						
At 1 September 2019	5,158,060	9,100	876,289	260,480	188,368	6,492,297
Additions	420	2,800	65,696	37,535	-	106,451
Disposals	-	-	-	(7,782)	-	(7,782)
At 31 August 2020	<u>5,158,480</u>	<u>11,900</u>	<u>941,985</u>	<u>290,233</u>	<u>188,368</u>	<u>6,590,966</u>
DEPRECIATION						
At 1 September 2019	1,642,906	8,900	604,604	207,993	109,033	2,573,436
Charge for the year	93,112	800	59,477	36,146	12,017	201,552
On disposals	-	-	-	(7,782)	-	(7,782)
At 31 August 2020	<u>1,736,018</u>	<u>9,700</u>	<u>664,081</u>	<u>236,357</u>	<u>121,050</u>	<u>2,767,206</u>
NET BOOK VALUE						
At 31 August 2020	<u><u>3,422,462</u></u>	<u><u>2,200</u></u>	<u><u>277,904</u></u>	<u><u>53,876</u></u>	<u><u>67,318</u></u>	<u><u>3,823,760</u></u>
At 31 August 2019	<u><u>3,515,154</u></u>	<u><u>200</u></u>	<u><u>271,685</u></u>	<u><u>52,487</u></u>	<u><u>79,335</u></u>	<u><u>3,918,861</u></u>

The net book value of assets held under finance leases or hire purchase contracts, included above are as follows: Other fixed assets £47,040 (2019: £52,920).

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14. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
COST OR VALUATION	
At 1 September 2019	1
AT 31 AUGUST 2020	<u>1</u>
NET BOOK VALUE	
AT 31 AUGUST 2020	<u>1</u>
AT 31 AUGUST 2019	<u>1</u>

15. STOCKS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Consumables	<u>18,936</u>	<u>24,425</u>	<u>16,685</u>	<u>22,534</u>

16. DEBTORS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
DUE WITHIN ONE YEAR				
Trade debtors	102,269	89,496	85,564	81,932
Amounts owed by group undertakings	-	-	353,578	321,847
Other debtors	328	15,000	328	15,000
Prepayments and accrued income	88,165	80,051	77,024	65,993
	<u>190,762</u>	<u>184,547</u>	<u>516,494</u>	<u>484,772</u>

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17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	120,949	252,572	120,949	252,572
Payments received on account	131,438	116,633	131,438	116,633
Trade creditors	67,677	106,646	65,478	93,218
Other taxation and social security	42,652	46,360	40,639	42,733
Obligations under finance lease and hire purchase contracts	9,587	9,160	9,587	9,160
Other creditors	68,110	56,706	54,865	43,111
Accruals and deferred income	361,144	419,985	355,535	403,132
	801,557	1,008,062	778,491	960,559
	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Deferred income at 1 September 2019	337,855	343,519	333,274	343,519
Resources deferred during the year	311,770	337,855	311,770	333,274
Amounts released from previous periods	(337,855)	(343,519)	(333,274)	(343,519)
	311,770	337,855	311,770	333,274

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	782,965	723,181	782,965	723,181
Obligations under finance lease and hire purchase contracts	25,833	35,420	25,833	35,420
	808,798	758,601	808,798	758,601

The School has two bank loans with Barclays Bank plc.

The 2009 loan is repayable over 225 months and the balance outstanding at the year end was £747,326 (2019: £810,408).

The 2015 loan was repayable over 120 months and was charged at a fixed rate of 2.1%, subject to review in late 2019. The loan was repaid in the year and therefore the balance outstanding at the year end was £nil (2019: £161,221).

The outstanding balance had been financed by a new loan of £160,000 in the year. The 2020 loan is repayable over 60 months with interest charged at a variable rate. The balance outstanding at the year end was £156,588 (2019: £nil).

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19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS				
General Funds	3,457,657	3,648,557	(3,369,225)	3,736,989
The Downs School Association	24,617	20,096	(14,601)	30,112
Downs School Enterprises Limited	(209,576)	460,923	(520,416)	(269,069)
	<u>3,272,698</u>	<u>4,129,576</u>	<u>(3,904,242)</u>	<u>3,498,032</u>
RESTRICTED FUNDS				
Donations	5	94	(99)	-
Bursary	-	1,000	(1,000)	-
	<u>5</u>	<u>1,094</u>	<u>(1,099)</u>	<u>-</u>
TOTAL OF FUNDS	<u><u>3,272,703</u></u>	<u><u>4,130,670</u></u>	<u><u>(3,905,341)</u></u>	<u><u>3,498,032</u></u>

UNRESTRICTED FUNDS

During the year, parent contributions made to the Downs School Association (DSA) and fundraising amounted to £20,096 (2019: £16,993). The DSA is a Committee appointed by the Board comprising elected parents and senior staff who organise social events for the school community and raise funds for the purchase of equipment to benefit the children.

Furthermore, the company took advantage of the Government's Coronavirus Job Retention Scheme. The Group's total claim was for £197,518 for the period between April to August 2020. The Downs School claim amount was £151,824 and £45,694 was claimed in respect of Downs School Enterprises Limited.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS				
General Funds	3,083,845	4,065,899	(3,692,087)	3,457,657
The Downs School Association	22,857	16,993	(15,233)	24,617
Downs School Enterprises Limited	(136,099)	465,893	(539,370)	(209,576)
	<u>2,970,603</u>	<u>4,548,785</u>	<u>(4,246,690)</u>	<u>3,272,698</u>
RESTRICTED FUNDS				
Donations	-	114	(109)	5
	<u>-</u>	<u>114</u>	<u>(109)</u>	<u>5</u>
TOTAL OF FUNDS	<u><u>2,970,603</u></u>	<u><u>4,548,899</u></u>	<u><u>(4,246,799)</u></u>	<u><u>3,272,703</u></u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,868,371	3,868,371
Current assets	1,240,016	1,240,016
Creditors due within one year	(801,557)	(801,557)
Creditors due in more than one year	(808,798)	(808,798)
TOTAL	<u><u>3,498,032</u></u>	<u><u>3,498,032</u></u>

THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	3,977,444	-	3,977,444
Current assets	1,061,917	5	1,061,922
Creditors due within one year	(1,008,062)	-	(1,008,062)
Creditors due in more than one year	(758,601)	-	(758,601)
TOTAL	3,272,698	5	3,272,703

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2020 £	Group 2019 £
Net income for the period (as per Statement of Financial Activities)	225,329	302,100
ADJUSTMENTS FOR:		
Depreciation charge	217,101	206,503
Dividends, interest and rents from investments	(2,972)	(3,999)
Decrease in stocks	5,489	1,695
Decrease/(increase) in debtors	(6,215)	70,102
Decrease in creditors	(75,309)	(156,282)
Loss on disposal of fixed assets	-	(1,485)
Interest paid	10,154	188
Interest rate swap fair value adjustment	-	(9,278)
NET CASH PROVIDED BY OPERATING ACTIVITIES	373,577	409,544

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2020 £	Group 2019 £
Cash in hand	1,030,318	852,950
TOTAL CASH AND CASH EQUIVALENTS	1,030,318	852,950

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23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	Cash inflows from new borrowing £	Repayment s of borrowing £	Finance lease repayments £	At 31 August 2020 £
Cash at bank and in hand	852,950	177,368	-	-	-	1,030,318
Debt due within 1 year	(252,572)	-	(30,715)	162,338	-	(120,949)
Debt due after 1 year	(723,181)	-	(125,813)	66,029	-	(782,965)
Finance leases	(44,580)	-	-	-	9,160	(35,420)
	<u>(167,383)</u>	<u>177,368</u>	<u>(156,528)</u>	<u>228,367</u>	<u>9,160</u>	<u>90,984</u>

NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS

The Group's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching staff and two defined contribution schemes for teaching and non-teaching staff.

Defined Contribution Scheme

The Group operates separate defined contribution pension schemes for its teaching and non-teaching staff. The assets of the schemes are held separately from those of the Group in independently administered funds. The employer's pension costs paid to the defined contribution schemes in the period amounted to £111,122 (2019: £13,502).

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £175,745 (2019: £217,247) and at the year-end £7,244 (2019: £26,447) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation. Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

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25. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	27,720	27,570	27,720	27,570
Later than 1 year and not later than 5 years	26,410	53,630	26,410	53,630
	54,130	81,200	54,130	81,200

26. RELATED PARTY TRANSACTIONS

Mr B.J. Northover is a member of Veale Wasbrough Vizards LLP. Veale Wasbrough Vizards LLP was appointed as the School's solicitors prior to Mr Northover becoming a Governor and therefore he was not involved in the decision making process. During the year Veale Wasbrough Vizards LLP was paid £4,019 (2019: £5,573) for legal services provided to the School. These transactions were made on a commercial basis. There was a balance outstanding at the year end of £Nil (2019: £2,160).

A number of Governors have children who are pupils at the School; the appropriate level of fees is levied in respect of these pupils.

Governors' children are assessed for bursaries and scholarships on the same basis as all other pupils on an arm's length basis. During the year, Governors received bursaries totalling £Nil (2019: £Nil).

The Company has taken advantage of the exemption available under FRS 102 section 33.1A from disclosing transactions with entities that are wholly owned within the Group.

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27. PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
Downs School Enterprises Limited	10801425	The Downs School, Charlton Drive, Wraxall, Bristol, BS48 1PF	Nursery

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Downs School Enterprises Limited	460,923	(520,416)	(59,493)	(284,054)