

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 2022

**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 2022**

Governors	Mr M.A. Burchfield, Chair (resigned 31 August 2022) Mrs H.M. Archer (resigned 31 March 2022) Mr C.R.G. Biggin Mr J.M. Collard Mr D.J. Ferris Mr J.A. Isaacs, (Chair from 1 September 2022) Mr T.P. Lloyd-Jones Mrs H. Mack Mr T.P. Matthews Mr B.J. Northover Mr T. O'Sullivan Mr T. Tainton (appointed 28 February 2022) Mrs R. Tear (resigned 31 August 2022) Dr R.S. Thomson Mrs R.E. Thornton Mr C.N.I. Tuttiett
Company registered number	01072074
Charity registered number	310279
Registered office	The Downs School Charlton House Wraxall Bristol BS48 1PF
Company secretary	Mr. J. Barclay
Headteacher	Mrs D. J. Isaachsen
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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**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Governors present their annual report together with the audited financial statements of the Company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 01 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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 majority of Committees met at least once in each academic term and provided a full Committee report to the Board.

Finance Committee

Mr T. P. Lloyd-Jones (Chair)
Mr J. Barclay (appointed 01 September 2021)
Mr C.R.G. Biggin
Mr M.A. Burchfield (resigned 31 August 2022)
Mr J. M. Collard
Mrs D. Isaachsen
Mrs H. Mack
Mr P. Matthews
Mr T. Tainton (appointed 28 February 2022)
Mrs R.E. Thornton
Mr C.N.I. Tuttiert

Bursary Committee

Mr T.P. Lloyd-Jones (Chair)
Mr J. Barclay (appointed 01 September 2021)
Mrs D. Isaachsen
Mrs H. Mack
Mrs R.E. Thornton

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**GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Strategy Committee	Mr M.A. Burchfield (Chair) (resigned 31 August 2022) Mr J. Barclay (appointed 01 September 2021) Mr J.M. Collard Mr D.J. Ferris Mrs D. Isaachsen Mr J.A. Isaacs Mr B.J. Northover Mr T. Tainton (appointed 28 February 2022) Mr C.N.I. Tuttielt
Nursery Committee	Mr J. M. Collard (Chair) Mrs H.M. Archer (resigned 31 March 2022) Mr J. Barclay (appointed 01 September 2022) Mrs D. Isaachsen Mr M.A. Newman Dr R.S. Thomson Mrs R. E. Thornton
Remuneration Committee	Mrs R.E. Thornton (Chair) Mr J. Barclay (appointed 01 September 2022) Mr M.A. Burchfield (resigned 31 August 2022) Mrs D. Isaachsen
Education Committee	Mrs R. Tear (Chair) (resigned 31 August 2022) Mrs D. Isaachsen Mr T. O'Sullivan
Risk and Regulatory Committee	Mr B.J. Northover (Chair) Mrs H.M. Archer (resigned 31 March 2022) Mr J. Barclay (appointed 01 September 2021) Mrs D. Isaachsen Mrs R. Tear (resigned 31 August 2022) Dr. R.S. Thomson
Governors' Development Committee	Mr J.A. Isaacs (Chair) Mr M.A. Burchfield (resigned 31 August 2022) Mr D.J. Ferris (appointed 01 June 2022) Mrs D. Isaachsen Mr B.J. Northover
Health and Safety Committee	Mr J. Barclay (Chair) (appointed 01 September 2021) Mr J. M. Collard Mrs D. Isaachsen Mrs R.E. Thornton Mr C.N.I. Tuttielt
Downs School Association Committee	Mrs. C. Williams (Chair) (resigned 31 August 2022) Mrs K. Northover (Secretary) (resigned 31 August 2022) Mrs G. Hagger (Treasurer)

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

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

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**GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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.

CUSTOMER AFFORDABILITY

Noting the prevailing economic situation, the Board anticipates that some existing parents may struggle to continue to afford school fees. This may also 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. Applications for means-tested bursary support may increase, both for existing and prospective parents, not all of which can be supported by existing funds.

This potential downturn in the demand for independent education may be exacerbated by the rising costs of its provision.

COST PRESSURES

Recent cost increases and the future inflationary outlook create material risks to the cost base for staff costs and non-staff costs for the School. The school manages these input cost risks by entering into longer term contracts for some elements. The medium term outlook indicates a risk of a significant energy cost increase.

LOSS OF TAX BENEFITS OF CHARITABLE STATUS

The Board is considering the impact of the risk of increased costs outside the School's control including the threat of the loss of business rates relief to some registered charities and the Labour Party's aspiration to impose VAT on independent school fees.

OTHER RISKS

- In line with other schools, the School was significantly impacted by the COVID-19 pandemic through the 2021-22 academic year, including high numbers of COVID-related illnesses and absences, as well as further health control measures implemented around the School. Whilst the direct impacts of the pandemic have largely receded, there is a risk that a further resurgence will impair the School's ability to function effectively. The School previously put in place effective remote teaching and learning capabilities which, if required again, will help to mitigate the impacts of this.

Alongside this, we are continuing to see multiple requests for bursary support for families working in those sectors of the economy that are impacted.

The Governors note that external lettings income was impacted during the pandemic but appears to have bounced back, with strong on-going demand for use of the School's extensive facilities.

- The possible impact on pupil numbers from price competition from other local independent preparatory schools and from high-achieving state primary schools
- The possible impact on pupil numbers in Year 7 / Year 8 from increased competition from Bristol senior schools recruiting into these year groups

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- Loss of key personnel could affect the efficient operation of the School and its financial controls
- Continuing strong competition to recruit high quality teaching staff could impact on reputation and perceived quality of teaching
- An incident involving harm to a pupil could lead to severe reputational damage

The Governors and Senior Leadership Team have recognized these risks and continue to take the following action:

- Ensure that the School's reserves have been protected
- Make available short term fee support to existing families where possible and maintain close communication with parents in financial hardship
- Carefully scrutinize non-essential expenditure to ensure it remains appropriate and value for money
- Manage carefully the extent of bank-funded debt whilst ensuring on-going investment in the School's facilities
- Consider future structural options to mitigate potential government-driven tax and charity law changes
- Maintain open and clear communication with the parent body
- Engage actively with Headteachers and Admissions' Teams at Bristol senior schools to build constructive dialogue on available spaces for Year 9 entry
- Monitor DfE and NHS pandemic-related communications and respond accordingly for further pandemic impacts

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.

The main strategic priorities for the School are as follows:

1. Maintain and develop the "Platinum" proposition to our community at large whilst having the confidence to innovate and the wisdom and foresight to know where we stand in relation to the market and what risks and opportunities the future might hold.
2. Embrace and deliver on our purpose; to prepare young students for their life ahead in all its facets; including academia, the arts & sport and also across the much more fundamental core behavioural characteristics such as resilience, communication, confidence and team work.
3. Continue to provide a sense of community, familiarity and understanding, across all of our students, parents and stakeholders.
4. Safeguard every pupil and member of the School community and ensure that a safe and nurturing environment is always provided.
5. Ensure that our all-round proposition from Nursery level through to Year 8 is developmental to the students and compelling to the parent body.
6. Maintain a stable financial model whilst continually reviewing, researching and further developing new income streams to support financial stability and protect our independence.

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7. Maintain existing and continually improve upon the quality of the estate whilst fully leveraging our assets for the benefit of our students and community at large.
8. Employ a highly motivated and inspirational body of staff to take all pupils to the limits of their potential.
9. Have continuity of talented leadership and a clear succession plan.

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 (DSEL), 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. An extension to the Nursery chalet building was recently completed, providing additional capacity for the older Nursery children. The Nursery continues to trade at a surplus and is currently near capacity with waiting lists in each room. Some of this surplus income from the Nursery 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. The DSEL directors reviewed and revised the staffing structure and remuneration through the year, including a clearer career progression strategy, to support staff retention and further staff recruitment. 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 totaling £243,803 and was able to support 37 (2021: 41) pupils over the course of the year through its bursary scheme. Of these pupils, 14 received at least 50% support by way of fee remission. Fee assistance by way of bursaries accounted for 6.0% (2021: 7.71%) of gross tuition fee income. This recent reduction is partially attributable to a reduction in short term support for families in financial difficulty due to the pandemic.

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. Financial support up to 100% can be considered and, by exception, beyond this level up to 110% of fees for transformational bursaries.

Following the easing of pandemic-related restrictions, the School re-started supporting 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 events and meetings without charge. The School is actively looking to re-build further community links going forward, in particular when the swimming pool development has been completed.

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 have attended to explain the objects of their charity and the impact on recipients of the funds raised. Despite limited opportunities for fundraising during the 2021-22 year, pupils and staff nevertheless raised £5,701 in the year, including for the Za Foundation and for the National Gardens Scheme charity.

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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.

The Independent Schools Inspectorate (ISI) conducted a routine unannounced Regulatory Compliance Inspection (RCI) of The Downs School in June 2022. This comprised a week-long rigorous inspection of the eight elements of the inspection framework that apply to all independent schools, including safeguarding, and health & safety. The ISI report concluded that the School was fully compliant in all areas.

Academic

Pupils are prepared for the Common Entrance examinations at the end of Year 8. Many pupils will sit external examinations for their chosen senior school. This year our pupils achieved strong results and gained access to their first choice of senior school. Many pupils were awarded scholarships and this year was the first time we had a pupil awarded a DT scholarship. This year's leavers achieved the following:

All round	1 scholarship
Academic	6 scholarships
Sport	8 scholarships
Music	1 scholarship, 1 exhibition
Drama	2 scholarships
DT	1 scholarship

Performing Arts

As well as provision of Music, Drama and Dance, all pupils at The Downs also receive a weekly 40 minute session in the Performing Arts. In the Prep School the academic year was divided into three term-long projects:

- Term 1. Local artists research project and a performance. The children worked with artists, Shanty band 'The Longest Johns', 'The Dark Angels' dance group, comedian and children's entertainer, Nutty Noah, and performance poet, Spikey Tim. The term ended with a whole School performance of 'Scrambled Scrooge'. Each group project included virtual visits from the actors as well as in person visits to the School.
- Term 2. This was devoted to the technical side of performance. Children worked with resident experts on set design, sound and lighting, PR and Marketing and Green Screens.
- Term 3. This was devoted to working towards our Celebration Day performances of 'Shackleton', a piece devised by Heads of Drama, Dance and Performing Arts (PA) Coordinator.

The weekly sessions were also used as a rehearsal time for the Year Group plays and the senior play.

In the Pre Prep, the sessions were led by class teachers in Terms 1 and 2 and then by the PA Coordinator and Heads of Music, Drama and Dance for Term 3 for Celebration Day performances of 'Giraffes Can't Dance'.

Music

Music is very much valued at The Downs. It plays an important part in School life and pupils are encouraged to learn an instrument or take singing lessons. Weekly tuition is offered on numerous instruments by a visiting team of well-qualified and enthusiastic musicians.

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FOR THE YEAR ENDED 31 AUGUST 2022**

For the academic year 2021 - 2022, approximately 66% of Year 1 – 3 pupils had musical tuition on either an instrument or voice and approximately 72% of pupils in Years 4 – 8. Lessons usually take place during the normal school day.

We are proud of our 100% pass rates for our ABRSM and Trinity Music Examinations. During the last academic year, we achieved the following results:

- Prep Test examinations – 12 pupils successful.
- Pass – 49 pupils
- Merit – 35 pupils
- Distinction – 9 pupils

These results have also included several higher grade successes:

- Grade 4 – 6 pupils
- Grade 5 – 7 pupils
- Grade 6 – 2 pupils

In addition, we have four Year 8 pupils who have achieved their Grade 5 music theory with Merit passes.

We hold regular formal and informal music concerts at The Downs and parents are always warmly welcome to attend. There are several School music ensembles available including School Orchestra, The Downs Singers (auditioned choir), Year Group Choirs from Year 1 to 8, Soul Band and various Rock Bands.

The most advanced musicians are given every opportunity to develop their playing and singing. Pupils who show great musical potential and ability are supported in applying for music scholarships. These pupils must show exceptional ability on their first study instrument and also acquire reasonable performance skills on a second or possibly third instrument. Our latest music scholarship pupil was awarded a scholarship at Wells Cathedral School.

Drama

During the academic year the children undertook nine performances:

- Reception & Yr 1 – The BIG little Nativity
- Year 2 – Dick Whittington
- Year 3 – Dragon
- Year 4 - Robin & The Sherwood Hoodies
- Year 5 – Aesop's Fable-ous Christmas Tree
- Year 6 – Macbeth
- Year 7 – Animal Farm
- Year 8 – End of School review
- Senior Production – Joseph and the Amazing Technicolor Dreamcoat

Speech and Drama

The total number of Speech and Drama students from Reception to Year 8 was 121 during the year.

The pupils attend lessons in groups of 2, 4, and up to 8 for 30 minute lessons each week in the drama studio. We had two successful drama scholars moving onto their chosen senior schools (Blundells and Clifton College).

The pupils are encouraged to enter local Festivals through the year. In particular the Head of Drama arranged a Downs School Festival (in place of the cancelled Nailsea Festival) to which pupils from St Joseph's School, Portishead were invited to participate. With an outside adjudicator and parents supporting, it was a successful event. This was followed by the Bristol Festival in March 2022. Pupils from Year 2 to Year 8 competed and The Downs School won 8 of the 16 classes entered.

74 children from Year 2 to Year 8 took their Vanguard Speech and Drama exams in the summer term 2022 and again achieved a 100% pass rate with 22 gaining honours (achieving scores over 90%).

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Theatre trips and professional performances in School

Bristol Old Vic Theatre School performed twice in the School theatre – 'Nativity' for Pre Prep and 'Red Shoes', a play based on the tales of Hans Christian Anderson for the Prep.

The Senior Production cast attended a performance of 'A Christmas Carol' by Wells Cathedral School

Year 5 went to The Hippodrome to watch 'Billionaire' Boy by David Walliams

Year 4 went to Bristol Old Vic to watch 'Robin Hood'

Dance

Currently the Dance Department has 167 signed up for private dance lessons, ballet, tap, jazz, and hip hop. All private pupils were entered for BTDA dance exams in February 2022 with an external examiner, and a Dance Show was performed for parents in June 2022. There were many other performance opportunities throughout the year.

Sport

The Sports Department has enjoyed a successful year. Eight Year 8 pupils achieved sports scholarships to seven different schools. The U13 boys 1st VII hockey team qualified for the National IAPS hockey finals, U11 girls hockey won the IAPS Regional Plate competition, two girls qualified for the National IAPS Swimming Finals and one girl qualified for the National Athletics Finals.

Representational honours were achieved in hockey, rugby and cricket including Gloucestershire County U13 cricket selection and a Regional Hockey U15 player. In addition to a full fixture calendar, the children have enjoyed our inaugural Sports Week (with activities including skipping workshops, Parkour, leadership challenges), Santas on the Run, Park Runs, Big Bash Cricket and cricket masterclasses. A new PE curriculum focused around functional movement skills for Pre-Prep has been introduced with promising outcomes. The children have enjoyed the new outdoor cricket nets, which have proved to be a very popular resource. It was a great pleasure to see the return of The Downs Rugby Sevens and we are looking forward to the 50th Anniversary next year.

Representational Honours

Hockey

- U14 Avon Junior Development Centre (Local District) – seven pupils
- U14 Avon Junior Academy Centre (County) – five pupils
- U15 West Performance Centre - one pupil
- West Panthers U13 Cup Team – one pupil

Rugby

- Bristol Bears U13 Rugby Academy – five pupils

Cricket

- Gloucestershire County U13 – one pupil

Sports Scholarships

- Bristol Grammar School – two pupils
- Clifton High – one pupil
- Clifton College – three pupils
- King's College Taunton, Malvern College and Wells Cathedral School – one pupil
- Marlborough College – one pupil

National Competitions

- IAPS Boys Hockey National Finals (Plate Winners) 1st Boys
- Rosslyn Park National Sevens Rugby - 1st VII

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- IAPS National Swimming Finals – two pupils
- National Athletics Finals – one pupil

Regional Competitions

- 1st Girls ~ IAPS Regional Girls Hockey 5th / Severnside U13 Girls Hockey Runners Up
- U11 Girls ~ IAPS Regional Girls Hockey ~ Plate Winners

Pastoral

The Downs School continues to proactively support all Year Groups and staff with pastoral matters by providing a safe and happy place in which to work and learn, while promoting our values of Explore, Express, Excel, enabling pupils and staff to be the very best version of themselves.

This academic year took a particular strain as the School navigated its way out of the Covid pandemic. This brought significant fresh demands, many of which were very last minute and reactive challenges to shifting guidance.

Staffing:

With so much movement and uncertainty, both nationally and within the work place, the School looked to support both pupils and staff through a series of supportive measures:

- A Wellbeing Coordinator established to provide vital 1-2-1 and group work.
- Additional teacher brought onto payroll for September 2022 to ease the work load for staff

Opening up again:

- The introduction to mixed Year Group activities and events was encouraged as soon as was safe.
- The Downs School changed the dates of residential trips (Years 7&8 travelled to France later in the year to ensure the trip went ahead).
- Matches were re-introduced and the drive towards mixed cricket was a resounding success
- Use of our wonderful grounds and woodland was promoted.

Addressing pastoral matters:

- Pastoral matters were addressed in PSHE sessions; assemblies and through visiting speakers.

Fundraising performance

Donations and gifts in the year amounted to £9,715 (2021: £18,701).

Parents' regular termly donations to the Downs School Association ("DSA") amounted to £8,773, 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 £942 for specific areas.

Downs School Association (DSA)

The DSA raise funds through events in which parents, pupils and staff participate. The team ran multiple successful fundraisers, with two Summer Fetes in the year due to pandemic rollovers, Fireworks night and the Summer party. The team have now also set up and run a well-established second hand uniform shop with donations contributed by parents. In the year, the DSA contributed to the cricket nets (£22,800), new playground markings and overhead sails in the Reception area (£8,000), Sports Week (£1,200) and Arts Week (£4,800), using funds raised both in the current year and through previous years.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The operating surplus for the year amounted to £163,895 (2021: £231,804) for the School against an average number of pupils of 258 (2021: 248). The ongoing working capital requirements of the Nursery, operated by the subsidiary, Downs School Enterprises Limited, generated a profit for the subsidiary of £117,024 (2021: £92,477).

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Consolidated funds of the School and its subsidiary have therefore increased by £280,919 to £4,103,232 (2021: £3,822,313).

RESERVES POLICY

Total reserves are £4,103,232 (2021: £3,822,313), of which £3,863,190 (2021: £3,823,357) comprises fixed assets. This leaves £954,793 (2021: £1,097,509) as free reserves after taking into account loans secured on the fixed assets of the charity of £714,751 (2021: £1,098,553). This follows repayment of the CBILS loan in May 2022. Restricted funds amount to £235.

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

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 and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities below.

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 recent 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 develop the facilities on the School site for the benefit of present and future pupils and the wider community, in particular focusing on the development of the swimming pool to provide enclosed year-round use and integrated changing rooms.

STATEMENT OF ACCOUNTING AND REPORTING 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.

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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

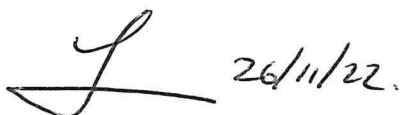
Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- 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 J.A. Isaacs
Chair of Governors
Date:

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

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 'School') and its subsidiary (the 'group') for the year ended 31 August 2022 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 School's affairs as at 31 August 2022 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

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the School's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

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

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

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have 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 including the Strategic 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 School 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 School's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF GOVERNORS

As explained more fully in the 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 School'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 School or to cease operations, or have no realistic alternative but to do so.

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance of the School;
- We have considered the results of enquiries with management and Governors, including the committees charged with governance over the School's finance and control, in relation to their own identification and assessment of the risk of irregularities within the entity;
- We have considered any matters we identified having obtained and reviewed the School's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team and involving relevant internal independent schools specialists regarding how and where fraud might occur in the financial statements and any potential indications for fraud;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the School operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019 and FRS 102. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the School's ability to operate or avoid a material penalty. These included data protection regulations, health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

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

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

- Reviewing committee meeting minutes;
- Enquiring of Governors and management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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 School'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 School'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 School 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: 12/12/2022

**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 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	942	8,773	9,715	18,701
Charitable activities		-	3,909,062	3,909,062	3,369,689
Other trading activities	6	-	856,058	856,058	689,469
Investments	7	-	559	559	451
Other income	8	-	1,831	1,831	56,607
Total income		942	4,776,283	4,777,225	4,134,917
Expenditure on:					
Raising funds	9	-	635,539	635,539	529,519
Charitable activities		3,207	3,857,560	3,860,767	3,281,117
Total expenditure		3,207	4,493,099	4,496,306	3,810,636
Net movement in funds		(2,265)	283,184	280,919	324,281
Reconciliation of funds:					
Total funds brought forward		2,500	3,819,813	3,822,313	3,498,032
Net movement in funds		(2,265)	283,184	280,919	324,281
Total funds carried forward		235	4,102,997	4,103,232	3,822,313

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

The notes on pages 21 to 42 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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	3,863,190	3,823,357
		<u>3,863,190</u>	<u>3,823,357</u>
Current assets			
Stocks	15	30,163	18,693
Debtors	16	236,012	198,106
Cash at bank and in hand		1,649,356	1,751,845
		<u>1,915,531</u>	<u>1,968,644</u>
Creditors: amounts falling due within one year	17	(1,090,952)	(1,002,030)
Net current assets		<u>824,579</u>	<u>966,614</u>
Total assets less current liabilities		<u>4,687,769</u>	<u>4,789,971</u>
Creditors: amounts falling due after more than one year	18	(584,537)	(967,658)
Total net assets		<u><u>4,103,232</u></u>	<u><u>3,822,313</u></u>
Charity funds			
Restricted funds	20	235	2,500
Unrestricted funds	20	4,102,997	3,819,813
Total funds		<u><u>4,103,232</u></u>	<u><u>3,822,313</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 were approved and authorised for issue by the Governors and signed on their behalf by:

 26/11/22

Mr J.A. Isaacs
 Chair of Governors
 Date:

The notes on pages 21 to 42 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 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	3,834,803	3,792,457
Investments	14	1	1
		<u>3,834,804</u>	<u>3,792,458</u>
Current assets			
Stocks	15	24,419	17,417
Debtors	16	450,594	500,074
Cash at bank and in hand		1,502,657	1,635,051
		<u>1,977,670</u>	<u>2,152,542</u>
Creditors: amounts falling due within one year	17	(1,050,151)	(963,451)
Net current assets		<u>927,519</u>	<u>1,189,091</u>
Total assets less current liabilities		<u>4,762,323</u>	<u>4,981,549</u>
Creditors: amounts falling due after more than one year	18	(584,537)	(967,658)
Total net assets		<u><u>4,177,786</u></u>	<u><u>4,013,891</u></u>
Charity funds			
Restricted funds	20	235	2,500
Unrestricted funds	20	4,177,551	4,011,391
Total funds		<u><u>4,177,786</u></u>	<u><u>4,013,891</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 were approved and authorised for issue by the Governors and signed on their behalf by:

 26/11/22.

Mr J.A. Isaacs
Chair of Governors
Date:

The notes on pages 21 to 42 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 2022**

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	581,991	720,889
Cash flows from investing activities		
Dividends, interests and rents from investments	559	451
Proceeds from the sale of tangible fixed assets	-	1,776
Purchase of tangible fixed assets	(272,083)	(171,564)
Bank interest paid	(3,779)	(3,787)
Net cash used in investing activities	(275,303)	(173,124)
Cash flows from financing activities		
Cash inflows from new borrowing	-	250,000
Repayments of borrowing	(383,802)	(53,637)
Repayments of hire purchase loans	(10,013)	(11,311)
Interest paid on borrowings	(15,362)	(11,290)
Net cash (used in)/provided by financing activities	(409,177)	173,762
Change in cash and cash equivalents in the year	(102,489)	721,527
Cash and cash equivalents at the beginning of the year	1,751,845	1,030,318
Cash and cash equivalents at the end of the year	1,649,356	1,751,845

The notes on pages 21 to 42 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 2022**

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, 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 2019), 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.

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. 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 Group 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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 includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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 £500 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 2022**

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.

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 Group 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 2022**

2. ACCOUNTING POLICIES (continued)

2.14 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 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.

2.16 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 25, 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 schemes and the pension charge represents the amounts payable by the School to the schemes in respect of the year.

2.17 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 2022**

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 balance sheet.

There are no critical accounting estimates.

4. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
General Donations	942	-	942	10,421
The Downs School Association	-	8,773	8,773	8,280
	<u>942</u>	<u>8,773</u>	<u>9,715</u>	<u>18,701</u>
TOTAL 2021	<u>4,809</u>	<u>13,892</u>	<u>18,701</u>	

5. INCOME FROM CHARITABLE ACTIVITIES

	2022 £	2021 £
Gross fees receivable	4,021,129	3,648,968
Bursaries and scholarships	(514,182)	(521,899)
Income from rechargeable expenditure	394,815	236,320
Registration fees	7,300	6,300
	<u>3,909,062</u>	<u>3,369,689</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	23,892	23,892	6,667
Other income	6,189	6,189	8,884
Fundraising income	59,772	59,772	11,924
	<u>89,853</u>	<u>89,853</u>	<u>27,475</u>
TOTAL 2021	<u>27,475</u>	<u>27,475</u>	

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Nursery income	766,205	766,205	661,994
	<u>661,994</u>	<u>661,994</u>	
TOTAL 2021	<u>661,994</u>	<u>661,994</u>	

7. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	466	466	400
Bank interest	93	93	51
	<u>559</u>	<u>559</u>	<u>451</u>
TOTAL 2021	<u>451</u>	<u>451</u>	

THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
CJRS income	1,831	1,831	56,607
TOTAL 2021	<u>56,607</u>	<u>56,607</u>	

9. EXPENDITURE ON RAISING FUNDS

Expenditure on fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fundraising expenditure	36,066	36,066	7,602
TOTAL 2021	<u>7,602</u>	<u>7,602</u>	

Expenditure from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Nursery cost of sales	74,362	74,362	59,509
Nursery administration expenses	72,540	72,540	56,477
Interest payable	-	-	100
Nursery cost of sales staff costs	356,672	356,672	307,572
Nursery administration staff costs	78,621	78,621	82,170
Nursery depreciation	17,278	17,278	16,089
	<u>599,473</u>	<u>599,473</u>	<u>521,917</u>
TOTAL 2021	<u>521,917</u>	<u>521,917</u>	

THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Education	2,760,188	1,100,579	3,860,767	3,281,117
TOTAL 2021	2,416,501	864,616	3,281,117	

ANALYSIS OF DIRECT COSTS

	Education 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	1,990,472	1,990,472	1,873,002
Depreciation	89,441	89,441	90,565
Educational supplies	253,993	253,993	141,532
Household and welfare	14,053	14,053	9,990
Catering	356,382	356,382	257,905
Transport	55,847	55,847	43,507
	2,760,188	2,760,188	2,416,501

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10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Education 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	428,747	428,747	336,868
Depreciation	114,322	114,322	109,036
Educational supplies	39,926	39,926	29,773
Other costs	77,188	77,188	39,765
Premises costs	246,087	246,087	184,274
Grounds maintenance	44,687	44,687	25,223
Management expenses	88,663	88,663	99,258
Financing expenses	19,141	19,141	17,133
Legal and professional	25,032	25,032	10,427
Governance	16,786	16,786	12,859
	<u>1,100,579</u>	<u>1,100,579</u>	<u>864,616</u>

11. NET INCOME/EXPENDITURE

	2022 £	2021 £
Depreciation of tangible fixed assets: - owned by the charitable group	221,041	215,690
Fees payable to the Company's auditor in respect of:		
Auditors' remuneration - audit	12,850	12,050
Auditors' remuneration - other services	5,965	410
Operating lease rentals	20,892	27,720

During the year, no Governors received any remuneration (2021: £NIL).

During the year, no Governors received any benefits in kind (2021: £NIL).

During the year, no Governors received any reimbursement of expenses (2021: £NIL).

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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12. STAFF COSTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	2,398,808	2,161,479	1,993,428	1,799,761
Social security costs	203,953	182,822	183,551	163,851
Employer contribution to pension schemes	251,751	255,311	242,240	246,258
	<u>2,854,512</u>	<u>2,599,612</u>	<u>2,419,219</u>	<u>2,209,870</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Teaching staff	50	50	50	50
Administrative staff	56	49	29	27
	<u>106</u>	<u>99</u>	<u>79</u>	<u>77</u>

The average headcount expressed as full-time equivalents was:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Teaching staff	35	37	35	37
Administrative staff	40	39	22	21
	<u>75</u>	<u>76</u>	<u>57</u>	<u>58</u>

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

	Group 2022 No.	Group 2021 No.
In the band £70,001 - £80,000	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 £326,840 (2021: £304,856).

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

13. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
COST OR VALUATION						
At 1 September 2021	5,266,740	11,900	1,057,571	289,443	188,366	6,814,020
Additions	113,519	-	82,671	39,604	36,289	272,083
Disposals	-	(400)	(14,651)	(2,200)	(70,758)	(88,009)
At 31 August 2022	<u>5,380,259</u>	<u>11,500</u>	<u>1,125,591</u>	<u>326,847</u>	<u>153,897</u>	<u>6,998,094</u>
DEPRECIATION						
At 1 September 2021	1,833,441	10,500	778,540	236,594	131,588	2,990,663
Charge for the year	101,473	700	73,606	33,113	12,149	221,041
On disposals	-	(400)	(11,735)	(1,646)	(63,019)	(76,800)
At 31 August 2022	<u>1,934,914</u>	<u>10,800</u>	<u>840,411</u>	<u>268,061</u>	<u>80,718</u>	<u>3,134,904</u>
NET BOOK VALUE						
At 31 August 2022	<u><u>3,445,345</u></u>	<u><u>700</u></u>	<u><u>285,180</u></u>	<u><u>58,786</u></u>	<u><u>73,179</u></u>	<u><u>3,863,190</u></u>
At 31 August 2021	<u><u>3,433,299</u></u>	<u><u>1,400</u></u>	<u><u>279,031</u></u>	<u><u>52,849</u></u>	<u><u>56,778</u></u>	<u><u>3,823,357</u></u>

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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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 2021	5,266,740	11,900	970,795	284,931	188,366	6,722,732
Additions	113,519	-	67,906	39,604	36,289	257,318
Disposals	-	(400)	(14,651)	(2,200)	(70,758)	(88,009)
At 31 August 2022	<u>5,380,259</u>	<u>11,500</u>	<u>1,024,050</u>	<u>322,335</u>	<u>153,897</u>	<u>6,892,041</u>
DEPRECIATION						
At 1 September 2021	1,833,441	10,500	721,123	233,623	131,588	2,930,275
Charge for the year	101,473	700	56,840	32,601	12,149	203,763
On disposals	-	(400)	(11,735)	(1,646)	(63,019)	(76,800)
At 31 August 2022	<u>1,934,914</u>	<u>10,800</u>	<u>766,228</u>	<u>264,578</u>	<u>80,718</u>	<u>3,057,238</u>
NET BOOK VALUE						
At 31 August 2022	<u><u>3,445,345</u></u>	<u><u>700</u></u>	<u><u>257,822</u></u>	<u><u>57,757</u></u>	<u><u>73,179</u></u>	<u><u>3,834,803</u></u>
At 31 August 2021	<u><u>3,433,299</u></u>	<u><u>1,400</u></u>	<u><u>249,672</u></u>	<u><u>51,308</u></u>	<u><u>56,778</u></u>	<u><u>3,792,457</u></u>

The net book value of assets held under finance leases or hire purchase contracts, included above are as follows: Other fixed assets £35,520 (2021: £41,160).

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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14. FIXED ASSET INVESTMENTS

COMPANY	Investments in subsidiary companies £
COST OR VALUATION	
At 1 September 2021	1
AT 31 AUGUST 2022	<u>1</u>
NET BOOK VALUE	
AT 31 AUGUST 2022	<u>1</u>
AT 31 AUGUST 2021	<u>1</u>

15. STOCKS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Consumables	<u>30,163</u>	<u>18,693</u>	<u>24,419</u>	<u>17,417</u>

16. DEBTORS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
DUE WITHIN ONE YEAR				
Trade debtors	106,703	122,770	102,279	114,228
Amounts owed by Group undertakings	-	-	231,388	318,290
Other debtors	-	198	-	198
Prepayments and accrued income	129,309	75,138	116,927	67,358
	<u>236,012</u>	<u>198,106</u>	<u>450,594</u>	<u>500,074</u>

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17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	135,594	146,715	135,594	146,715
Payments received on account	130,868	142,945	130,868	142,945
Trade creditors	136,971	83,312	120,461	72,356
Other taxation and social security	51,198	50,670	46,306	44,676
Obligations under finance lease and hire purchase contracts	10,440	10,013	10,440	10,013
Other creditors	64,801	69,691	49,213	53,108
Accruals and deferred income	561,080	498,684	557,269	493,638
	1,090,952	1,002,030	1,050,151	963,451
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Deferred income at 1 September 2021	459,051	311,770	459,051	311,770
Resources deferred during the year	513,192	459,051	513,192	459,051
Amounts released from previous periods	(459,051)	(311,770)	(459,051)	(311,770)
	513,192	459,051	513,192	459,051

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	579,157	951,838	579,157	951,838
Net obligations under finance lease and hire purchase contracts	5,380	15,820	5,380	15,820
	<u>584,537</u>	<u>967,658</u>	<u>584,537</u>	<u>967,658</u>

The School has two bank loans with Barclays Bank plc which are secured against freehold property.

The 2009 loan is repayable over 225 months and the balance outstanding at the year end was £620,056 (2021: £722,563).

The 2020 loan of £160,000 is repayable over 60 months with interest charged at a variable rate. The balance outstanding at the year end was £94,695 (2021: £125,990).

The 2021 CBILS loan of £250,000 was fully repaid during the year. Therefore, the balance outstanding at the year end was £Nil (2021: £250,000).

19. FINANCIAL INSTRUMENTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
FINANCIAL ASSETS				
Financial assets measured at amortised cost	<u>1,770,124</u>	<u>1,882,238</u>	<u>1,850,389</u>	<u>2,075,192</u>
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	<u>1,162,297</u>	<u>1,510,637</u>	<u>1,121,496</u>	<u>1,472,058</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings, accrued income and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise payments on account, trade creditors, accruals, bank loans, other tax and social security and obligations under finance lease and hire purchase contracts.

**THE DOWNS SCHOOL (CHARLTON HOUSE) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2021 £	Income £	Expenditure £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS				
General Funds	3,972,917	3,941,533	(3,756,867)	4,157,583
The Downs School Association	38,474	68,545	(87,051)	19,968
Downs School Enterprises Limited	(191,578)	766,205	(649,181)	(74,554)
	<u>3,819,813</u>	<u>4,776,283</u>	<u>(4,493,099)</u>	<u>4,102,997</u>
RESTRICTED FUNDS				
Donations	<u>2,500</u>	<u>942</u>	<u>(3,207)</u>	<u>235</u>
TOTAL OF FUNDS	<u><u>3,822,313</u></u>	<u><u>4,777,225</u></u>	<u><u>(4,496,306)</u></u>	<u><u>4,103,232</u></u>

UNRESTRICTED FUNDS

During the year, parent contributions made to the Downs School Association (DSA) and fundraising amounted to £68,545 (2021: £20,204). 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.

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

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS				
General Funds	3,751,975	3,447,910	(3,226,968)	3,972,917
The Downs School Association	30,112	20,204	(11,842)	38,474
Downs School Enterprises Limited	(284,055)	661,994	(569,517)	(191,578)
	<u>3,498,032</u>	<u>4,130,108</u>	<u>(3,808,327)</u>	<u>3,819,813</u>
RESTRICTED FUNDS				
Donations	-	3,156	(656)	2,500
Bursary	-	1,653	(1,653)	-
	<u>-</u>	<u>4,809</u>	<u>(2,309)</u>	<u>2,500</u>
TOTAL OF FUNDS	<u><u>3,498,032</u></u>	<u><u>4,134,917</u></u>	<u><u>(3,810,636)</u></u>	<u><u>3,822,313</u></u>

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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	3,863,190	3,863,190
Current assets	235	1,915,296	1,915,531
Creditors due within one year	-	(1,090,952)	(1,090,952)
Creditors due in more than one year	-	(584,537)	(584,537)
TOTAL	<u>235</u>	<u>4,102,997</u>	<u>4,103,232</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	3,823,357	3,823,357
Current assets	2,500	1,966,144	1,968,644
Creditors due within one year	-	(1,002,030)	(1,002,030)
Creditors due in more than one year	-	(967,658)	(967,658)
TOTAL	<u>2,500</u>	<u>3,819,813</u>	<u>3,822,313</u>

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

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	280,919	324,281
ADJUSTMENTS FOR:		
Depreciation charges	221,041	215,690
Dividends, interests and rents from investments	(559)	(451)
Loss/(profit) on the sale of fixed assets	11,209	(888)
Decrease/(increase) in stocks	(11,470)	243
Increase in debtors	(37,995)	(7,344)
Increase in creditors	99,705	174,281
Interest paid	19,141	15,077
NET CASH PROVIDED BY OPERATING ACTIVITIES	581,991	720,889

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £
Cash in hand	1,649,356	1,751,845
TOTAL CASH AND CASH EQUIVALENTS	1,649,356	1,751,845

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £	Cash flows £	Repayment of borrowings £	Finance lease repayments £	At 31 August 2022 £
Cash at bank and in hand	1,751,845	(102,489)	-	-	1,649,356
Debt due within 1 year	(146,715)	-	11,121	-	(135,594)
Debt due after 1 year	(951,838)	-	372,681	-	(579,157)
Finance leases	(25,833)	-	-	10,013	(15,820)
	627,459	(102,489)	383,802	10,013	918,785

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**NOTES TO THE FINANCIAL STATEMENTS
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25. 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 a defined contribution pension scheme (APTIS) for the majority of its teaching staff and a defined contribution scheme (The People's Pension) for its non-teaching staff and Nursery staff. The assets of these schemes are held separately from those of the Group in independently administered funds. The employer's pension costs paid to these defined contribution schemes in the period amounted to £183,638 (2021: £182,511) on a like-for-like basis, excluding APTIS 'salary sacrifice' element).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury (HMT) every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £39,502 (2021 - £39,831).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group has set out above the information available on the scheme.

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26. OPERATING LEASE COMMITMENTS

At 31 August 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	5,518	20,892	5,518	20,892
Later than 1 year and not later than 5 years	-	5,518	-	5,518
	5,518	26,410	5,518	26,410

27. RELATED PARTY TRANSACTIONS

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 (2021: £Nil).

Mr B 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 £1,954 (2021: £1,444) for legal services provided to the School. These transactions were made on a commercial basis.

Mr J.M. Collard is a director of Studio Hive Limited. During the year the School purchased advice and support in relation to planning applications from the company for £9,803 (2021: £Nil). These transactions were made on a commercial basis. There was a balance outstanding at the year end of £4,848 (2021: £Nil).

At the year end the School had a debtor balance of £231,388 (2021: £318,290) with its subsidiary Downs School Enterprises Limited. Movement in the year related to intercompany recharges and loan interest. The School also received rent from Downs School Enterprises Limited of £39,300 (2021: £37,500) and loan interest of £10,408 (2021: £10,200).

28. 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

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**NOTES TO THE FINANCIAL STATEMENTS
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28. PRINCIPAL SUBSIDIARIES (CONTINUED)

Class of shares	Holding	Included in consolidation
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Ordinary	100%	Yes
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The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets / (Liabilities) £
Downs School Enterprises Limited	766,205	(649,181)	117,024	(74,553)