

# **St Dunstan's Educational Foundation**

**CONSOLIDATED  
FINANCIAL STATEMENTS**

**for the year ended**

**31 July 2021**

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## TRUSTEES' REPORT

for the year ended 31 July 2021

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### PRINCIPAL DETAILS

#### ADDRESS AND CHARITY NUMBER

St Dunstan's College  
Stanstead Road  
London SE6 4TY

CHARITY REGISTRATION NO.: 312747

#### GOVERNORS

The governors of St Dunstan's College who are also the trustees of St Dunstan's Educational Foundation, and who served during the year and subsequently were:

		Members of Committee
Mr Paul Durgan	Chair	4, 6
Mr Ian Davenport	Deputy Chair	1, 2, 3, 4, 5, 6
Mrs Victoria Alexander		1, 6
Dr Yvonne Burne		1, 2
Mr Andrew Cairns	(appointed 28 July 2021)	
Ms Judy Clements		5, 6
Reverend Katherine Hedderly		
Mrs Linda Kiernan		1
Alderman Nicholas Lyons		4
Mr Ken Marshall		4, 5, 6
Mrs Rosalind Meredith	(appointed 19 March 2021)	4
Mr David Probert		5, 6
Miss Diane Robertshaw		
Mr Shams Rahman		2, 5, 6
Mr Jonathan Ronan		
Mr Navdeep Sheera		2, 3, 4, 5
<b>Committee Key</b>		
1 Member of the Education Committee		
2 Member of the Leadership and Governance Committee		
3 Trustee of the General Charitable Trust		
4 Member of the Finance and Investment Committee		
5 Member of the Property Committee		
6 Member of the Risk and Compliance Committee		

#### EXECUTIVE STAFF

From 1 September 2021 the Foundation Executive Team (FET) comprised:

Mr N Hewlett	Headmaster
Mrs C Wilkins	Bursar and Clerk to the Governors
Miss L Whitwood	Head of the Junior School
Mr J Holmes	Deputy Head Academic
Mrs J McLellan	Deputy Head Pastoral
Mrs S Hopkins	Finance Director

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Prior to 1 September 2021, the key management personnel of the Foundation were the members of the College Leadership Team, which included the Headmaster, Bursar and Clerk to the Governors, Head of the Junior School, Deputy Head Academic and Deputy Head Pastoral.

The Headmaster and the Bursar and Clerk to the Governors attend all Committee and full Governing Body meetings. The remaining members of the FET attend all full Governing Body meetings, as well as the sub-committees as required. Other senior staff members from across the College are invited to attend any relevant governors' meetings as necessary.

The Headmaster is a member of the Headmasters' and Headmistresses' Conference (HMC). The Head of the Junior School is a member of the Independent Association of Prep Schools (IAPS).

### PROFESSIONAL ADVISORS

<b>SOLICITORS</b>  Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham GLOUCESTERSHIRE GL50 1YD	  Mills & Reeve LLP 24 King William Street Candlewick LONDON EC4R 9AT
Stone King LLP Boundary House 91 Charterhouse Street Barbican LONDON EC1M 6HR	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay BRISTOL BS1 4QA
<b>EMPLOYMENT LEGAL ADVISORS</b>  Judicium Education 72 Cannon Street LONDON EC4N 6AE	
<b>BANKERS</b>  HSBC Bank Plc City of London Commercial Centre 71, Queen Victoria Street LONDON EC4V 4AY	<b>INVESTMENT MANAGERS</b>  UBSAG 5 Broadgate LONDON EC2M 2AN
<b>AUDITOR</b>  RSM UK Audit LLP Statutory Auditor Chartered Accountants 170 Midsummer Boulevard Milton Keynes BUCKINGHAMSHIRE MK9 1BP	<b>FINANCIAL ADVISORS</b>  Rothschild & Co New Court St Swithin's Lane London EC4N 8AL

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## TRUSTEES' REPORT

for the year ended 31 July 2021

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We, as governors, and also as trustees of the Charity, have pleasure in presenting the annual report and financial statements for the year ended 31 July 2021. The report covers the activities of St Dunstan's Educational Foundation, which owns, operates and manages St Dunstan's College and also owns College Hire Limited.

The financial statements comply with current statutory requirements and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (Second Edition, effective 1 January 2019) ('SORP').

The governors have read the Charity Commission's guidance on public benefit and have paid due regard to the guidance as is evidenced in this report.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### History and Constitution

St Dunstan's Educational Foundation, an incorporated charity, was established by a Principal Scheme in 1883. In 1888, St Dunstan's College opened in Catford, as an independent school, with an innovative technical curriculum. From the outset it was determined to be an accessible school, supporting families from a range of different backgrounds and income.

### The Governing Body

The Governing Body, when complete, consists of 17 persons, being:

- Three Ex-officio Governors:
  - The Alderman of the Ward of Tower in the City of London.
  - Two of the four Churchwardens of the Ecclesiastical Parish of All Hallows by the Tower with St Dunstan-in-the-East being those as appointed by the Parochial Church Council of the said Parish as the Churchwardens of St Dunstan-in-the-East. Each of the Churchwardens appointed by the said Parochial Church Council is appointed for a term of office ending on the date of the appointment of his or her successor.
- Two Nominated Governors:
  - The nominated governors are appointed by the Parochial Church Council of the Ecclesiastical Parish of All Hallows by the Tower with St Dunstan-in-the-East. Each of the nominated governors is appointed for a term of five years.
- Twelve Co-opted Governors:
  - The co-opted governors are appointed for a term of five years by a resolution of the governors. The Foundation assesses on an ongoing basis the mix of skills, knowledge and experience of its governors. To date the Foundation has been able to recruit co-opted governors using the wide-ranging contacts of existing governors, officers of the Foundation, alumni of St Dunstan's College, current parents and community partners.

### Appointment of New Governors

Following appointment by the Board, new governors are formally inducted by the Clerk to the Governors once they have accepted their appointment. This induction involves visiting the College, meetings with and being briefed by key staff, and the provision of a substantial background information pack on the Foundation and, in particular, the role and responsibilities of a trustee. All new governors are required to

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## TRUSTEES' REPORT

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complete appropriate safeguarding checks and induction paperwork to comply with relevant policies, covenants and legislation.

All governors attend a study period once a year to receive presentations on key issues affecting the Foundation and the sector more widely, and to give them an opportunity to make strategic decisions about the future direction and policy of the Charity. To keep up to date with developments and changing legislation, many governors also attend various training days and seminars provided by the Association of Governing Bodies of Independent Schools, the Independent Schools Council, the Independent Association of Preparatory Schools, the Independent Schools' Bursars Association, the Headmasters' and Headmistresses' Conference, and legal and accounting firms.

The strategic direction of the Foundation is exercised by the Governing Body, it being jointly and severally responsible for ensuring the strategic direction of the Charity. Delegated and detailed challenge and support of the various elements of the leadership and management of the College is given to the various sub-committees. All governors attend meetings of the Governing Body, which take place at least once in each school term, amounting to three meetings in any normal year. At these meetings, governors offer challenge and support to the Executive Leadership, as well as making strategic decisions about the future direction of the Charity and ensuring policies are being implemented effectively. The Education, Leadership and Governance, Finance and Investment, Property, and the Risk and Compliance Committees also meet each term prior to the full Governing Body meeting, so that the Chair of each sub-committee can present a short report to the full Board. Each Committee has a nominated Chair; the Chair of the Board of Governors and the Deputy Chair currently attend each Committee along with at least four other governors. Day to day running of the Foundation, the Senior School and the Junior School is delegated to the Headmaster, who chairs the Foundation Executive Team (FET). The provision of support and business services for all aspects of the running of the Foundation is delegated to the Bursar. The responsibility for complying with all charity and related regulations is delegated to the Clerk.

### Related Entities

The Foundation has a wholly owned subsidiary company, College Hire Limited, Company Number 04396837. College Hire Limited has a license agreement with the Foundation to promote and manage the use of the Foundation's assets and facilities when not required by the College. The Deputy Chair is the Chair of the Board of Directors of the Company and the Bursar is the Company Secretary.

The Friends of St Dunstan's College contribute generously to the College. Further information is provided in note 25 of the Accounts.

### Management Board and Remuneration

Pay for the FET is reviewed annually by the Leadership and Governance Committee, which is made up of all the committee chairs and includes the Chair of Governors.

The Charity engages in educational benchmarking surveys and regularly monitors remuneration and benefits within the independent school sector.

### Risk Management

The governors are responsible for overseeing the risks faced by the Charity. Detailed consideration of risk and its mitigation is delegated to the FET. Risks are identified through effective use of the Foundation's risk register and are also assessed by: the College Health and Safety Committee (which includes senior and middle leaders); the Inspection and Compliance Committee (which includes senior leaders) and the Governor Risk and Compliance Committee. The risk register identifies potential risks which are grouped into four sections: 1) strategic and reputational risks; 2) operational risks; 3) compliance risks and 4) financial risks. The detailed risk

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register is analysed and discussed by the Risk and Compliance Sub-Committee and an executive summary is produced three times a year for each of the full Board meetings of governors.

A formal review of the Health and Safety Policy and other key Policies is undertaken by the Foundation's Risk and Compliance Committee annually. An organic and 'live' serious incidents log is also maintained by the FET and is reported to all committee and full Board meetings. This document captures all current incidents from across the Charity that are considered 'one-off' incidents that pose the potential for significant risk to the Charity and its reputation. Trends within this log are reviewed termly by the FET, alongside the complaints log and bullying log, and actions are formulated as a consequence. An annual report is presented to the full Board at its summer meeting looking at annual trends in serious incidents, bullying, parental concerns and complaints, in order to offer challenge and ensure appropriate action is being taken to mitigate against risk.

### Principle Risks and Uncertainties

- The mental wellbeing of pupils and staff triggered by the COVID-19 pandemic
- Challenges associated with our local environment, in particular travel to and from school for pupils, staff and parents and the potential risks for pedestrians and cyclists
- External financial pressures, including: the rising costs of the Teachers' Pension Scheme, increased inflation, and the potential removal of business rates relief.

Detailed plans have been drawn up and implemented to mitigate these and all other high risks identified.

The College is providing increased pastoral support for pupils and for its staff. The College has increased its provision of counselling to students.

The Foundation has plans to provide access to the College from Ravensbourne Park. Other potential access routes are also being considered. The new Junior School, STEM and Sixth Form block and other re-development work has meant that pupils enjoy better air quality during lessons and break time.

In order to address external financial pressures, the Foundation regularly prepares financial forecasts which reflect various economic scenarios. These are reviewed periodically by the governors. The Reserves Policy, set out later, also helps to ensure that the Foundation can withstand financial uncertainty. The Foundation is also working closely with HSBC in respect of ensuring the financial covenants within the loan facility are met.

## OBJECTS, OBJECTIVES, AIMS AND ACTIONS

### CHARITABLE OBJECTS

The principal object of the Foundation is to provide and conduct in or near Lewisham, a day school for boys and girls.

### Vision

The vision of the Foundation is to be 'An ambitious forward-thinking community that inspires and supports individuals to thrive'.

### Values

St Dunstan's College is a values-rooted school, business and charity. Our vision seeks to capitalise upon the rich and imaginative history of our College without being constrained by it, delivering a deliberately ambitious and forward-thinking approach to education without losing sight of the importance of supporting and inspiring individuality. St Dunstan's aspires for all its young people to thrive in every way – personally, physically, socially

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and academically - and the breadth of the curriculum and co-curriculum is entirely designed to support that ambition. Our community is a key determinant in defining who we are – our vibrant and grounded Lewisham location, our rich and inspiring history, our co-educational setting, and our eclectic Dunstonians, near and far – all of this sets the tone for a community that is particularly well positioned to embrace the range of challenge and opportunity presented by the globalised world of which we are now a part.

It is our aspiration that, through an innovative approach to the fulfilment and embellishment of this vision, and through a broad and far-reaching education, the College will help its young men and women develop as individuals, to be at ease with themselves and others, and to have a thirst for the richness of life that is aided by having developed the following values of character:

- Confidence
- Courage
- Creativity
- Curiosity
- Compassion

### The St Dunstan's Difference

- Trailblazing a forward-thinking independent education since 1888
- Promoting high achievement without arrogance
- Championing individuality, diversity and equality – *albam exorna!*
- Developing values through a broad and liberal education
- Supporting wellbeing as central to success
- Growing ambitious and imaginative partnerships
- Providing life-enriching opportunities to our local community
- Infusing social conscience and ethical thinking

### STRATEGIC AIMS AND FUTURE PLANS 2021-2031

The governors agreed the following ten-year strategic aims in 2021:

#### Our Education

St Dunstan's works with a range of partners to be at the forefront of educational thinking, continuing to challenge convention, taking courageous educational decisions, and remaining true to the broad, liberal, and values-driven education upon which it was founded. A culture of safeguarding children underpins all we undertake.

#### Our Pupils – Academic and other achievements

Pupils are inspired and supported as individuals, and in such a way that enables each of them to make outstanding and measurable achievement across a broad range of subjects and interests, making creative use of digital innovation as a key facilitator for progress.

#### Our Pupils – Personal development

Pupils have a strong sense of wellbeing that is rooted in being at one with who they are and the diverse environment in which they are situated; pupils actively demonstrate the values of St Dunstan's and consequently personify grounded, open-minded, articulate thinking, as active citizens of a changing global community.

#### Our Staff

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St Dunstan's is an employer of choice in the sector, with staff seeking to work at St Dunstan's as a consequence of its clarity of purpose and vision, our unique identity and reputation, and a sincere commitment to staff development, creativity and voice, wellbeing, diversity and equality, and a culture of trust and transparency.

### Our Dunstonians

St Dunstan's celebrates a vibrant alumni body which is plugged-in to the journey of the College. Consequently, alumni are engaged, proud and active ambassadors for the College, its community connections and philanthropic work.

### Our Parents

Parents of all means apply and remain at St Dunstan's from an ever-widening catchment, because of a wholehearted belief in the ethos of the education at work. Parents are active participants in the development of the College, and communication to parents is such that they feel St Dunstan's genuinely understands their children as individuals and they are supported by robust procedures that are well understood.

### Our Community

St Dunstan's believes in a broader educational purpose that supports the ongoing aspirations for the betterment of Lewisham and its residents and knows that such work entirely aligns with the educational aims we have for our pupils. Working with local partners we provide life-enhancing opportunities to local people that seek to promote social mobility, engender wellbeing, and improve communities in addition to responding with benevolence and charity to local needs and events.

### Our Environment

St Dunstan's has a clear and rolling programme of investment into its buildings and infrastructure, ensuring that we lead the way in developing an appropriate digital and physical environment for a forward-thinking educational charity. Well on our journey towards being a carbon-zero organisation, St Dunstan's sets ambitious standards for sustainability, both for itself and its partner organisations. Our south-east London site is regularly reviewed for safety, and our greenspace is enhanced by diversification of ecosystems and rewilding of a variety of rural habitats.

### Our Business

St Dunstan's has a thriving business model that ensure efficiency of expenditure and diversification of income, maximising the use of growing and impressive assets, and actively expanding the reach of its brand, at home and overseas, through mergers, acquisitions and commercial partnerships.

### Our Charity

St Dunstan's is a modern and forward-thinking educational charity that is constituted and structured in such a way that provides clarity of purpose, dynamic thinking, compliance and executive operational autonomy.

## Future Capital Plans

The Foundation will continue the extensive redevelopment of its estates, which in recent years has seen the opening of a £20m Junior School, STEM and Sixth Form STEM block, and deliver the following projects:

- Completion of a new Performing Arts Centre (Drama and Music Departments and a theatre)
- Expansion of the Wellness Centre to include Wellbeing, Inclusion and Enrichment Departments
- An innovative fives courts project, in conjunction with the Rugby Fives Association
- Significant redesign and refurbishment of the Sport and Fitness Centre
- Review of the Jubilee Grounds and any development opportunities available

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### Development Planning

The Foundation has an embedded and effective development plan cycle that fuels the work at all levels of the organisation. The annual College Development Plan stems from ongoing and specific periods of self-evaluation and reflection and is fundamental in underpinning the focus of all elements of the College's educational development. A distributed approach is taken to the creation of the key priorities in any one year, with pupils, staff, parents and governors feeding into the plan. All development plan priorities within any one year are intrinsically linked to the fulfilment of our aims and values, which in turn drive the impact on pupil personal and academic achievement. The College Development Plan is ratified annually by the Governing Body.

### PREVIOUS DEVELOPMENT PLAN, 2018-2021 OBJECTIVES

Governors are delighted that excellent progress has been made in all areas of the previous Development Plan, as listed below, which is evidenced in the Achievements and Performance section of this report.

#### Our Pupils

- To have maintained high levels of pupil achievement through ambitious and forward-thinking teaching and academic leadership.
- To have maintained rapid rates of pupil progression through an ambitious culture of learning that is increasingly realising high levels of pupil attainment.
- To deliver an ambitious and forward-thinking co-curriculum which ensures engagement for all.
- To deliver an ambitious and forward-thinking examined and additional curriculum that best prepares our pupils for the future.
- To provide an ambitious and forward-thinking approach to assessment and the monitoring of pupil progress that engenders pupil agency in their own progression.
- To embed consistency in our approach to monitoring, communicating and responding to individual pupil safeguarding, wellbeing and learning needs.
- To improve the mechanisms by which we communicate with, listen to and respond to pupils.

#### Our Staff

- To develop an ambitious and forward-thinking approach to staff professional development.
- To have an ambitious and forward-thinking approach to staff well-being.
- To ensure that safeguarding is embedded at the forefront of everyone's thinking.

#### Our Environment

- To have an ambitious and forward-thinking approach to our delivery of information technology.
- To have developed safe and inspirational learning and working environments for our whole community.
- To have an ambitious and forward-thinking approach to sustainability across the community.

#### Our Partners

- To have developed an ambitious and forward-thinking approach to our community relationships and the mutual benefit that stems from them.
- To have an ambitious and forward-thinking programme of charitable giving and charitable partnerships.
- To have an ambitious and forward-thinking approach to parent communication.
- To be receiving tangible benefits from international engagements.

#### Our Business and Charity

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## TRUSTEES' REPORT

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- To have developed excellence in administrative and technical support.
- To have developed excellence in financial and business management.
- To be ambitious and forward thinking in our approach to generating income through effective marketing, development and fundraising.

### Measurable Outcomes

The Foundation aims for quantifiable performance within Key Performance Indicators (KPIs):

- Recruitment of Pupils
- Retention of Pupils
- Results of Pupils

These KPIs are monitored regularly by the FET and Governing Body. The success of these has been captured and reported on throughout this report.

## ACHIEVEMENTS AND PERFORMANCE

### PRINCIPLE ACTIVITIES DURING THE YEAR

During the year the Foundation has provided the following number of pupils an education, in Catford SE6:

	2020/21	2019/20
Junior School	328	302
Senior School	650	636
<b>Total</b>	<b>978</b>	<b>938</b>

### Examination Results

GCSE:

- 75% (2020: 61%) of grades awarded were an A\* or A (9, 8 or 7)
- 90% (2020: 82%) of grades were A\* to B (9, 8, 7 or 6)

A Level

- 80% (2020: 57%) of grades awarded were A\*-A
- 99% (2020: 87%) of grades awarded were A\* to B
- 100% of pupils passed at A\* to E grades (2020: 100%)

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### University Acceptance

#### Summary of Higher Education Outcomes

	2021	2020	2019
Number who applied for University or HE	55	58	48
Number accepted by 1st choice	51 (92%)	51 (88%)	36 (75%)
Oxbridge	0 of 0	2 of 2	3 of 3
Medicine	2 of 2	1 of 1	0 of 1

#### Popular Higher Education Courses

Course	Number of Students	Number of First Choice Offers	Number of Russell Group Offers
Engineering	6	6	6
Economics	6	6	5
Psychology	5	3	2
Business	3	3	1
Criminology	3	3	3

### Co-curricular Activities

The Forder Programme is the name given to the College's ambitious co-curricular programme.

In the Senior School, the Programme offers more than 200 activities across the course of any one week, representing a significant diversity of interests. The quality of art, drama, music, sport, Combined Cadet Force (CCF), Duke of Edinburgh Award Scheme and community service, as our core co-curricular areas, is deemed excellent by ISI and pupil participation is exceptionally high. The Programme is constantly evolving to represent the flavour and interests of the current students and staff and ranges from Tri Club to Amnesty, CCF to Warhammer and Music and Drama to Film Club.

In the Junior School, a similar breadth of choices is on offer, from Rugby Munchkins in Pre-Prep to British Sign Language, coding and drones and robots in the Prep.

### PUBLIC BENEFIT

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences, which help our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy, together with our involvement in the community, contributes to a widening of access to the education we offer and the facilities we enjoy.

The College is part of a wider community, and it strives to ensure that we are fully integrated with it. A significant and growing community service programme, a range of educational benefits offered to local children and state schools, a community Summer Festival and regular review of how our facilities are best deployed for community use, out of term time, are all important features of College identity. The College continues to be a partner school of the London Academy of Excellence in Tottenham, where the Headmaster serves as a governor and where the Charity has committed resource in 2020 - 2021 to support this school community.

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In 2021 St Dunstan's College was delighted to partner with Lewisham Council and Westside Young Leaders Academy together establishing the Lewisham Young Leaders Academy (LYLA) which offers additional support to young people across Lewisham through transformative teaching in life skills, including leadership, teamwork, presentation skills and CV building. The Academy has been established in response and evidence showing disparities in attainment and outcomes for black caribbean and dual heritage (black caribbean/ white) children and young people, not just in Lewisham, but throughout London and the UK. Approximately 100 young people have enrolled for the scheme and meet on Saturday mornings at the College.

The success of our other community programmes is explained in the review of activities and achievements section of this report

### **Bursary and Scholarship Awards**

The Foundation awarded scholarships, bursaries and prizes to pupils to the value of £1,802k (2020: £1,717k). Of these £22k (2020: £25k) were made from restricted funds.

#### Bursaries for Senior School Pupils

This year the value of means tested bursaries, that were accepted, totalled £820k (2020: £695k) and represented 6.5% (2020: 6.6%) of our gross senior school fees. Bursaries provided assistance to 57 (2020: 59) of our pupils, of which 17 (2020:14) pupils benefitted from a full remission of fees.

#### Scholarships for Senior School Pupils

In addition, the College awarded scholarships to 223 senior school pupils (2020: 212), based on their educational merit and potential. Of this number, 25 (2020: 25) also qualified for means-tested bursary support and are included in the figures relating to bursary awards. The value of scholarships to those in receipt solely of an academic award amounted to £831k (2020: £742k) or 7.4% (2020: 7.0%) of gross senior school fees.

The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of reviews.

Means-tested bursaries and scholarships are not available to pupils in the Junior School.

#### Bursary Policy

The governors view our bursary awards as important in helping to ensure that children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to families who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means, we take a number of factors into consideration including family income, investments and savings and family circumstances. However, the Foundation does not have a large endowment and in funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The bursary awards range from 5% to 100% remission of fees. Further details of our bursary policy and how to apply are available on our website.

The success of our bursary scheme is explained in our review of activities and achievements section of this report. Details of all awards are also set out in note 2 to the financial statements.

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## TRUSTEES' REPORT

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### Scholarship Policy

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor.

Scholarships are awarded with a fixed remission of fees of either 10% or 25%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. Further details of our scholarship policy are available on our website.

### Partnerships, Community Projects and Access

In addition to the above bursaries and scholarships, the Foundation has also supported the following community activities:

#### *College Facilities*

- Over a number of years, the Foundation has sought to widen access to its facilities, often at fee rates well below commercial levels. This year's activities were impacted by COVID-19. However, the grounds and sports facilities are let as much as possible at weekends and in holiday periods to local users who wish to run various events and sporting activities. During the summer, where possible, classroom facilities are let to various language schools, which provide a programme of English tuition, combined with cultural and sporting activities, to students from all over the world.
- College facilities are routinely offered for free to our local state schools including, for example, use of our Great Hall for Christmas concerts, our Jubilee Grounds for sports days and sporting festivals, and our swimming pool to offer swimming lessons to those who would not otherwise be able to access them.
- Our facilities are also used to support local events and despite COVID-19 challenges the Jubilee Ground team continued to support events such as a community antiques fair.

#### *School Partnerships*

- A partnership with the London Academy of Excellence in Tottenham began in 2016. The Headmaster serves on the Governing Body, and as part of that partnership the College has had various exchanges with students. The Foundation also made a direct financial contribution to the work of that school in 2020/21.
- There is a strong link between the College's CCF and local state schools. Students from the community have formed part of our Contingent and their teachers help serve and work with our staff in running the cadet activities, to the mutual benefit of both sets of students.
- We have continued to develop our partnerships with local state schools, where we actively consider any possible bursary and scholarship candidates for access to the College, but also look at other ways in which we might be able to support them. Our careers events have been opened to students from these schools and masterclasses provided in particular subject areas.

### The Arts, Sport, Community and our Environment

#### The Arts

We were delighted to be able to host the St Dunstan's Festival again this year which, in light of recent global challenges, had a theme of 'celebrating our courageous community'. This unique event included a range of activities such as musical theatre productions, educational workshops, a clean-up Catford campaign, fancy dress hockey, powerful duologues, big band concerts and a jazz soiree, debating competitions, black British figures in history presentation, design competitions, dance workshops, sports matches, open air cinema, public speaking lessons and thought-provoking performances in aid of Refuge (for women and children against domestic violence).

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## TRUSTEES' REPORT

for the year ended 31 July 2021

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### Sports

- Although impacted by COVID-19, over 245 hours of football hire was made available to the public on our synthetic sports pitches during the year ended 31 July 2021. Free pitches were offered to Lewisham's district football and Lewisham's London Youth Games football squads to train on. Five hours a week of free pitch hire was also offered to Catford and Lewisham police units for training and fitness. Dalmain FC provided free community football summer sessions at the Jubilee Ground to local girls aged 7-12.
- St Dunstan's Jubilee Ground continued to be Tottenham Hotspur FC's only football centre in South London offering holiday development programmes with premier league standard coaching to local children.
- Over 10,000 swimming lessons were delivered to local children through St Dunstan's Swim School. The pool acted as a registered training centre for the Institute of Qualified Lifeguards and also as a training venue for Orpington O Jays Swimming Club and Nekton Sub Aqua Club (Lewisham's only sub aqua club).
- St Dunstan's continued in its annual support for the MCC Community Cricket Hub offering local children 13 weeks of free cricket coaching and pathways. The Jubilee Ground is also home to Catford Cyphers Cricket Club and Beckenham Cricket Club.
- In hockey, 35 hours weekly hire was made available to local community clubs and Jubilee Ground is home to London Academicals Hockey Club.
- Beacons Netball Club train at the Jubilee Ground.

### Community Service

- At St Dunstan's College, we encourage students of all age groups to take an interest in their local community and to take up the opportunities available to get involved. Although impacted by COVID-19, students still took part in a litter pick up as part of the St Dunstan's Festival and Senior School students supported the Junior School with events and class activities.

### Charity

- In the academic year 2020/21 we supported a wide range of charities with special events raising nearly £10k supporting the work of local, national and international charities, including Save the Children, Comic Relief, Rhabdomyosarcoma Research and Street Trees for Living.

### Community support through the COVID-19 pandemic

- A dedicated Support Hub on our website has featured the latest NHS and PHE guidance, mental health advice and daily tips for lockdown suggested by teachers and pupils
- The College has made regular food donations to local foodbanks and soup kitchens
- The Friends of St Dunstan's hosted a virtual quiz raising £2.7k for the foodbanks in Lewisham.
- The College marked the National Day of Reflection in March 2021 with a virtual service.

### Sustainability

The College has made good progress this year with the targets set out in the Environmental Policy. Pupils, parents, staff and external experts collaborate as part of a Sustainability Committee, sharing ideas and gathering feedback from the whole College community. Achievements include:

- A number of additional wild areas, new wildflower beds, planting more trees and over 1,000 bulbs around the College.
- Increase in vegan/vegetarian meals.
- Single use plastic free environment in the Refectory.
- Participation in Earth Hour.
- Improved secure cycle storage to support car free days and encourage cycling to school.
- Air quality award for the Junior School.
- Further development and use of the woodland classroom, educating young people in the importance of biodiversity and the natural world around us.
- Senior School and Junior School ecology ponds.
- Environmentally friendly construction methods and contractors used.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## TRUSTEES' REPORT

for the year ended 31 July 2021

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### REVIEW OF FINANCIAL ACTIVITIES AND RESULTS FOR THE YEAR

These financial statements cover the year ended 31 July 2021. The Group's funds have increased during the year by £3,426k (2020: decrease of £1,655k).

The Group has achieved a strong operational performance in 2020/21 achieving an operating surplus of £1,861k (2020: £902k) prior to investment gains. The College's fees receivable, including grants from the Foundation, for the year amounted to £14,964k (2020: £13,473k), representing a 11% increase over the previous twelve months. The value of investments increased during the year by £1,204k mainly due to revaluation and additions of £681k (2020: decrease of £1,124k reflecting market volatility associated with COVID-19). The value of the interest rate swap entered into in December 2020 but has increased in value by £807k since 31 July 2020.

College Hire Limited achieved a loss of £18k (2020: £37k loss). In December 2019 HMRC determined that College Hire Limited was not an 'eligible body' for an exemption under VAT Act 1994. The Directors of College Hire Limited, following expert advice, disagree with HMRC's conclusion and the potential liability arising from HMRC's conclusion, estimated at £338k, has therefore not been recognised as a liability in these accounts (see note 26).

Note 17 to the accounts sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the Group's obligations on a fund-by-fund basis.

The Foundation's tangible assets are all held for use in the College. In the present property market the governors do not consider that their estimate of the value is materially different from that shown in the accounts. Investments are held to create income and capital growth pending utilisation on the objects of appeals, bequests or donations or to match liabilities as appropriate. These are valued at cost or appropriate valuation (see note 11).

### GOING CONCERN

At the time of signing these financial statements the Coronavirus disease (COVID-19) continues to be a pandemic. As discussed in more detail in the going concern accounting policy on page 27, the governors have a reasonable expectation that the Group remains a going concern for the following key reasons:

- Demand for places at the College continues to increase. In November 2019 the College successfully completed a full ISI education inspection resulting in 'excellent' judgements in all areas as well as a successful compliance inspection. In October 2020 St Dunstan's College was named Independent Coeducational School of the Year at the Independent School Awards 2020. The College has made significant investment in its facilities, including the building of a new Junior School, STEM and Sixth Form block, new classrooms for music, including recital and practice rooms, and a new drama studio. The change in local demographics and demand for the St Dunstan's product, combined with significantly improved facilities and high-quality academic outcomes provides a sound basis for the future success of the Group.
- Performance of detailed financial modelling looking forward at least 12 months demonstrating that the Foundation has sufficient cash and is able to meet the financial covenants within its loan facility. Scenario analysis performed demonstrates that there are sufficient funds available in the event of a falling pupil roll. The Foundation monitors its pupil roll closely.
- Both the UK Government and the Group's bankers have indicated their support for businesses impacted by COVID-19.

The governors are unaware of any other factors which would impact on the Group being treated as a going concern.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## TRUSTEES' REPORT

for the year ended 31 July 2021

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### INVESTMENT PERFORMANCE

Governors are pleased with investment income, which is better than forecast. The market value of the investments increased by £750k since 31 July 2020 recovering from the market volatility associated with the COVID-19 pandemic. Governors are reviewing the investment strategy to ensure that this meets the needs of the Foundation going forward. The overarching investment objective is to maximise investment income while at least maintaining the value of the funds in real terms. An income target is set and reviewed annually.

During the year an investment income return of 4.1% (2020: 4.3%) was achieved on invested funds which are managed by UBS Wealth Management. It is anticipated that the rate of investment income return in 2021/22 will be around 3.0%.

There was a 14.6% increase (2020: 21.7% decrease) in the FTSE 100 index over the year. In 2020/21 the Foundation's investments increased in value by 15.3% (2020: 12.1% decrease).

### INVESTMENT POLICY

The overall investment policy of the governors is to maintain a well-balanced portfolio of investments covering a spread of equities, gilts and properties to meet the needs of the Foundation in terms of both capital growth and income. This policy is not restricted by ethical or other considerations, however, this is currently under review.

### FUNDRAISING PRACTICE

During the year, the Foundation has sought to raise funds from the public. The Development Office and Headmaster have approached parents, alumni and other individuals connected to the Foundation to seek donations towards the Foundation's development plans. Since January 2020 the Foundation has engaged the services of a self-employed consultant to advise on its fundraising strategy. Aside from this, the Foundation has not employed the assistance of any professional fundraisers or had fundraising carried out on its behalf.

The Foundation always aims to follow best practice in fundraising, and in doing so abides by specific fundraising law (including the General Data Protection Regulation and any associated or implementing legislation) and relevant guidance from regulatory and other bodies including The Charity Commission (CC), The Fundraising Regulator, The Institute of Fundraising (IoF) and The Information Commissioner's office. The Foundation is registered with the Fundraising Regulator and adheres voluntarily to the Regulator's Code of Fundraising Practice.

There have been no complaints with regards to fundraising in the year (2020: none).

### RESERVES POLICY

The Group's Reserves Policy is to maintain sufficient unrestricted reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall, and to rely on the readily realisable investments of the Foundation's unrestricted reserves for that purpose. The Foundation will apply from time to time to the Charity Commission in England and Wales to liquidate restricted or endowed reserves as adequate cover for the Foundation's longer-term capital expenditure commitments and any longer-term financial obligations

At 31st July 2021, the Group had total reserves of £24,686k (2020: £21,260k).

Of these reserves £894k (2020: £1,074k) are "Restricted" and they can only be utilised in accordance with the wishes of the original donor. The majority of these funds provide income for bursaries, scholarships, prizes and other specific purposes outlined by the donor in a specific deed or their will.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## TRUSTEES' REPORT

for the year ended 31 July 2021

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In addition, the Charity had Permanently Endowed Funds of £12,298k (2020: £10,796k) at 31st July 2021. £8,143k of these Endowed Funds can only be realised by disposing of fixed assets. Endowment Funds originate from a Scheme made by the Charity Commission in 1869 under the Endowed Schools Act 1869. These "Endowed" funds again provide income for scholarships and bursaries and other charitable activities but if the Charity wishes to expend capital contained in these funds the trustees may need to seek Charity Commission approval depending on the nature of the proposed expenditure.

The balance of reserves is "Unrestricted". The Group had not designated any of these unrestricted reserves for a particular purpose at 31st July 2021. At 31 July 2021, the Group had unrestricted funds of £11,494k (2020: £9,390k).

In November 2019 the trustees of St Dunstan's Educational Foundation signed a construction agreement with Willmott Dixon Ltd to build a new Junior School, STEM and Sixth Form building. The value of this construction agreement is £21.5m with the total cost of the development (including professional fees, furniture and fittings and the creation of new multiple use games areas for netball) being £24.5m. As at 31<sup>st</sup> July 2021 the development is complete at a cost of £24.6m. The cost was met by the use of the Foundation's unrestricted reserves, the sale of some endowed investments, see below, and a £20m bank loan facility from HSBC UK Bank plc.

The Charity Commission granted permission for the Foundation to utilise £3m of the Endowed Funds to fund the pre-construction phase of the new Junior School, STEM and Sixth Form block. As at 31 July 2021 £1,846k of Endowed investments have been transferred to the Unrestricted Fund and utilised to fund this work.

The Charity Commission authorised the trustees to spend the sum of not more than £23.6m from the Charity's permanent endowment for the purpose of constructing the new Junior School, STEM and Sixth Form building. At 31 July 2021 the value of this Recoupment Order is £22,941k (2020: £10,540k) (note 27).

The trustees consider that the Group holds a sufficient level of unrestricted reserves to meet the Group's short-term financial obligations. At 31 July 2021 unrestricted listed investments were £4,125k (2020: £3,688k) and unrestricted net current liabilities were £1,116k (2020: net current assets of £91k). The trustees consider this is sufficient to enable all aspects of the Group's work to be conducted in an orderly and efficient manner and to provide cover for unexpected but unavoidable items of expenditure which cannot be funded from current income.

The Group has an agreed business plan and model which demonstrates how it is anticipated that the new building and other property development will increase student numbers. The forecast surpluses from this increase in student numbers will be utilised to re-build reserves.



Mr Paul Durgan

On behalf of the trustees

Date: 28 January 2022

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The governors are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## FINANCIAL STATEMENTS

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### AUDITOR'S OPINION

We have audited the financial statements of St Dunstan's Educational Foundation (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Foundation Balance Sheets, the Consolidated and Foundation Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 July 2021 and of their incoming resources and application of resources 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 Charities Act 2011.

### Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, 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.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## FINANCIAL STATEMENTS

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 19, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operate in and how the group and parent charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## FINANCIAL STATEMENTS

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- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with tax authorities and evaluating advice received from external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

### **Use of our report**

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
BUCKINGHAMSHIRE  
MK9 1BP

Date: 28 January 2022

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## FINANCIAL STATEMENTS

### FINANCIAL STATEMENTS

#### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
		£k	£k	£k	£k	£k
<b>INCOME from</b>						
Donations and Legacies	5	68	85	-	153	76
<i>Charitable activities</i>						
School fees receivable	2	14,836	(22)	-	14,814	13,323
Other educational income	3	611	-	-	611	781
Other ancillary income	3	99	-	-	99	85
<i>Other trading activities</i>						
Leisure club		148	-	-	148	172
School facility lettings		310	-	-	310	361
Investments	4	381	11	-	392	405
<b>TOTAL INCOME</b>		<u>16,453</u>	<u>74</u>	<u>-</u>	<u>16,527</u>	<u>15,203</u>
<b>EXPENDITURE on</b>						
Cost of raising funds	7	901	-	-	901	887
<i>Charitable activities</i>						
School operating costs	7	<u>13,765</u>	-	-	<u>13,765</u>	<u>13,414</u>
<b>TOTAL EXPENDITURE</b>		<u>14,666</u>	<u>-</u>	<u>-</u>	<u>14,666</u>	<u>14,301</u>
<b>NET INCOME BEFORE INVESTMENT GAINS/ (LOSSES)</b>	8	1,787	74	-	1,861	902
Gains/ (losses) on investment assets						
Realised		1	-	-	1	-
Unrealised		446	46	258	750	(1,124)
Gains/ (losses) on hedging instrument for loan		<u>807</u>	-	-	<u>807</u>	<u>(1,416)</u>
<b>NET INCOME/ (EXPENDITURE)</b>		3,041	120	258	3,419	(1,638)
Transfers between funds	18b	(944)	(300)	1,244	-	-
Actuarial gain/ (loss) on defined benefit pension scheme	23	<u>7</u>	-	-	7	(17)
<b>NET MOVEMENT IN FUNDS</b>		2,104	(180)	1,502	3,426	(1,655)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward at 1st August 2020</b>		<u>9,390</u>	<u>1,074</u>	<u>10,796</u>	<u>21,260</u>	<u>22,915</u>
<b>Total funds carried forward at 31<sup>st</sup> July 2021</b>		<u>11,494</u>	<u>894</u>	<u>12,298</u>	<u>24,686</u>	<u>21,260</u>

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## FINANCIAL STATEMENTS

### BALANCE SHEETS

	Notes	Consolidated		Foundation	
		2021 £k	2020 £k	2021 £k	2020 £k
<b>FIXED ASSETS</b>					
Tangible fixed assets	10	37,434	23,506	37,434	23,506
Investments	11,12	9,613	8,409	9,613	8,409
		<u>47,047</u>	<u>31,915</u>	<u>47,047</u>	<u>31,915</u>
<b>CURRENT ASSETS</b>					
Stock		8	8	4	4
Debtors	14	717	979	795	1,012
Cash at bank and in hand	13	<u>4,531</u>	<u>3,550</u>	<u>4,453</u>	<u>3,514</u>
		5,256	4,537	5,252	4,530
<b>CREDITORS:</b>					
Amounts falling due within one year	15a	<u>(5,890)</u>	<u>(3,658)</u>	<u>(5,831)</u>	<u>(3,614)</u>
<b>NET CURRENT (LIABILITIES) /ASSETS</b>		<u>(634)</u>	<u>879</u>	<u>(579)</u>	<u>916</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES/ ASSETS</b>		46,413	32,794	46,468	32,831
<b>CREDITORS:</b>					
Amounts falling due after one year	15b	<u>(20,923)</u>	<u>(10,646)</u>	<u>(20,923)</u>	<u>(10,646)</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		25,490	22,148	25,545	22,185
Defined benefit pension scheme liability	23	<u>(804)</u>	<u>(888)</u>	<u>(804)</u>	<u>(888)</u>
<b>TOTAL NET ASSETS</b>		<u>24,686</u>	<u>21,260</u>	<u>24,741</u>	<u>21,297</u>
<b>FUNDS</b>					
Unrestricted		11,494	9,390	11,549	9,427
Restricted		894	1,074	894	1,074
Endowment		<u>12,298</u>	<u>10,796</u>	<u>12,298</u>	<u>10,796</u>
<b>TOTAL FUNDS</b>	17, 18a	<u>24,686</u>	<u>21,260</u>	<u>24,741</u>	<u>21,297</u>

Approved by the trustees on 28 January 2022 and signed on their behalf by:



Mr Paul Durgan  
Chair of Trustees

Notes on pages 27 to 55 form part of these accounts.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## FINANCIAL STATEMENTS

### STATEMENT OF CASH FLOWS - CONSOLIDATED

	Note	2021 £k	2020 £k
<b>Cashflows from operating activities:</b>			
<i>Net cash provided by operating activities</i>	a	2,905	2,426
<b>Cashflows from investing activities:</b>			
Dividends, interest and rents from investments		392	405
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(15,288)	(9,478)
Proceeds from sale of investments		227	29
Purchase of investments		(681)	(104)
<i>Net cash used in investing activities</i>		(15,350)	(9,148)
<b>Cashflows from financing activities:</b>			
Increase in borrowing		13,426	6,209
<i>Net cash provided by financing activities</i>		13,426	6,209
<b>Change in cash and cash equivalents in the reporting period</b>		<b>981</b>	<b>(513)</b>
Cash and cash equivalents at the beginning of the reporting period		3,550	4,063
Cash and cash equivalents at the end of the reporting period	b	<b>4,531</b>	<b>3,550</b>

#### a Reconciliation of net income / expenditure to net cashflow from operating activities

<i>Net income for the reporting period (as per the statement of financial activities)</i>		3,426	(1,655)
<b>Adjustments for:</b>			
Depreciation charges		1,253	1,201
(Gains)/losses on investments - unrealised		(750)	1,124
(Gains)/losses on investments - realised		(1)	-
Dividends, interest and rents from investments		(392)	(405)
Loss on the sale of fixed assets		107	19
Decrease in stocks		-	2
Decrease/(increase) in debtors		262	(128)
(Decrease)/increase in creditors		(109)	903
Decrease/(increase) in Loan Hedging Instrument liability		(807)	1,416
(Decrease) in Defined Benefit Scheme liability		(84)	(51)
<i>Net cash provided by (used in) operating activities</i>		<b>2,905</b>	<b>2,426</b>

#### b Analysis of cash and cash equivalents

Cash in hand		4,531	3,550
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# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## FINANCIAL STATEMENTS

<i>Total cash and cash equivalents</i>		<u>4,531</u>	<u>3,550</u>
<b>STATEMENT OF CASH FLOWS – FOUNDATION ONLY</b>			
	Note	2021 £k	2020 £k
<b>Cashflows from operating activities:</b>			
<i>Net cash provided by operating activities</i>	a	2,863	2,638
<b>Cashflows from investing activities:</b>			
Dividends, interest and rents from investments		392	405
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(15,288)	(9,478)
Proceeds from sale of investments		227	29
Purchase of investments		(681)	(104)
<i>Net cash used in investing activities</i>		<u>(15,350)</u>	<u>(9,148)</u>
<b>Cashflows from financing activities:</b>			
Increase in borrowing		13,426	6,209
<i>Net cash provided by financing activities</i>		<u>13,426</u>	<u>6,209</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>939</u>	<u>(301)</u>
Change in cash and cash equivalents at the beginning of the reporting period		<u>3,514</u>	<u>3,815</u>
Change in cash and cash equivalents at the end of the reporting period	b	<u>4,453</u>	<u>3,514</u>
<b>a Reconciliation of net income / expenditure to net cashflow from operating activities</b>			
<i>Net income for the reporting period (as per the statement of financial activities)</i>		3,444	(1,618)
<b>Adjustments for:</b>			
Depreciation charges		1,253	1,201
(Gains)/losses on investments - unrealised		(750)	1,124
(Gains)/losses on investments - realised		(1)	-
Dividends, interest and rents from investments		(392)	(405)
Loss on the sale of fixed assets		107	19
Decrease in stocks		-	1
Decrease/(increase) in debtors		217	(83)
(Decrease)/increase in creditors		(124)	1,034
(Decrease)/increase in Loan Hedging Instrument liability		(807)	1,416
(Decrease) in Defined Benefit Scheme liability		(84)	(51)
<i>Net cash provided by (used in) operating activities</i>		<u>2,863</u>	<u>2,638</u>
<b>b Analysis of cash and cash equivalents</b>			
Cash in hand		<u>4,453</u>	<u>3,514</u>
<i>Total cash and cash equivalents</i>		<u>4,453</u>	<u>3,514</u>

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## ACCOUNTING POLICIES

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### ACCOUNTING POLICIES

#### BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £k.

The financial statements have been prepared on the historical cost convention modified to include certain financial instruments at their fair value as explained in the relevant accounting policy. The principal accounting policies adopted are set out below.

#### GOING CONCERN

At the time of signing these financial statements the COVID-19 pandemic is still evolving and is unprecedented and therefore brings challenges and uncertainties, which the trustees have considered in the 'Principal Risks and Uncertainties' section of their Report (see page 7).

Detailed financial modelling and scenario analysis has been performed demonstrating that the Group has sufficient cash and is able to meet the financial covenants within the Foundation's loan facility for at least 12 months following the signing of these financial statements. Scenarios considered included the loss of pupil numbers and reduction in the recoverability of fees. Key assumptions made in this scenario analysis included the ability to generate cash through the sale of the Foundation's unrestricted investments. Longer term projections are that going forward the Foundation expects to achieve greater surpluses which will be reinvested in improving facilities in the medium and long term. Demand for places at the College is currently strong, although there is risk that the take up may be lower than forecast depending on the impact that the pandemic may have on parents' ability to continue funding schooling.

Both the UK Government and the Group's bankers have indicated their support for businesses impacted by COVID-19. The trustees are not currently forecasting the need to further access such support, other than the furloughing of some staff that ended in April 2021, but note its availability should the need arise.

Having considered the uncertainties posed by the pandemic the trustees consider for the above reasons that there are no material uncertainties about the Group's ability to continue as a going concern and have accordingly continued to prepare the financial statements on a going concern.

#### GROUP FINANCIAL STATEMENTS

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, College Hire Limited, on a line-by-line basis. The charity has taken advantage of the concession offered not to present a separate Statement of Financial Activities for the Charity as a standalone entity.

#### INCOME RECOGNITION

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## ACCOUNTING POLICIES

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Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting scholarships, bursaries and other remissions allowed by the College, but include contributions received from the Foundation and other sources.

Grants receivable for specific purposes are accounted for as restricted funds. Transfers are made from those funds to offset depreciation.

Grants related to the Coronavirus Job Retention Scheme are treated as income in the period to which each grant claim relates and is treated as other educational income in the Statement of Financial Activities.

### INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

### DONATIONS

Donations received for the general purposes of the Foundation are credited to unrestricted funds. Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

The accounts of the Charity include the funds which are under the direct control of the governors.

### EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the expenditure of the wholly owned trading subsidiary, College Hire Limited in running a leisure club, a commercial nursery and a lettings business as well as the Foundation's fundraising costs.
- Expenditure on charitable activities includes all expenditure in running a school and in particular teaching, premises and welfare costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Scholarships and bursaries are charged to expenditure in the period to which they relate.

### ALLOCATION OF SUPPORT COSTS

Support costs are those functions that assist the work of the charity but do not directly deliver charitable activities. Support costs include all administrative and governance costs which support the charity's activities.

These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

### OPERATING LEASES

Rentals payable are charged on a straight line basis over the lease term.

### TANGIBLE FIXED ASSETS

#### *College buildings and equipment*

#### Capitalisation and replacement

The original College land and buildings are carried at the amount of the value of property in June 1994 as valued by a professional adviser. In accordance with the transitional provisions of FRS102, this valuation has not been updated. Additions and improvements to the property since 1994 representing enhancements in value are stated at cost. The College is responsible for keeping these properties in a fit and useful condition and these costs are written off as incurred.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## ACCOUNTING POLICIES

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Items costing less than £5,000 are written off as an expense as acquired. The capitalisation threshold within College Hire Limited is £500.

Where additions and improvements are under construction on permanently endowed land these are included within endowed funds.

Interest costs directly attributable to the financing of tangible fixed assets are capitalised at the cost of the related borrowings.

### Depreciation

Depreciation of other assets is provided at rates to write off the excess of cost over estimated residual amount over their estimated useful lives as follows:

	Years
Buildings	50
Improvements and extensions	10-50
Furniture and equipment	3-25
Motor vehicles	5

No depreciation is provided on freehold land.

Leasehold property is written off over the remaining period of the lease.

### STOCK

Stock is included at the lower of cost or net realisable value.

### DEBTORS

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

### CASH AT BANK AND IN HAND

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

### CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the Group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### BORROWINGS

Borrowings are initially recognised at their transaction price including transaction costs and subsequently measured at amortised cost using the effective interest method.

General and specific borrowing costs directly attributable to the acquisition and construction of freehold properties that take a substantial period of time to get ready for their intended use or sale are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

### DERIVATIVES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value at each reporting date. Fair value gains and losses are recognised in the Statement of Financial Activities.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## ACCOUNTING POLICIES

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### FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'other Financial Instruments Issues' of FRS 102 in full to all of its financial instruments.

Recognition and measurement of financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Classification of financial instruments

Financial instruments are classified as liabilities or assets according to the substance of the contractual arrangements entered into.

Fixed asset investments

Fixed asset investments are initially measured at transaction price. Transaction price includes transaction costs, except where investments are measured at fair value through the Statement of Financial Activities when transaction costs are expensed to the Statement of Financial Activities as incurred.

The fair value of investments quoted on a recognised stock exchange are measured at market value through the Statement of Financial Activities.

Investment properties are initially measured at cost and subsequently measured at fair value where a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the Statement of Financial Activities.

Fee, trade and other debtors

Fee, trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financial transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment for trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised are recognised immediately in the Statement of Financial Activities.

Trade and other creditors

Trade and other creditors (including accruals) payable within one year that do not constitute a financial transaction are initially measured at the transaction price and subsequently measured at amortised costs, being transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at their transaction price including transaction costs and subsequently measured at amortised cost using the effective interest method.

Advance fee scheme

Advance fee discounts are charged to finance costs as required by FRS 102 and included within the gross fees reflected in the financial statements.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value at each reporting date. Fair value gains and losses are recognised in the Statements of Financial Activities.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## ACCOUNTING POLICIES

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### Offset of financial instruments

Financial assets and financial liabilities are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party or if some (but not substantially all) risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

A financial liability (or part thereof) is derecognised when the obligation specified when the obligation specified in the contract is discharged cancelled or expires.

### PENSION CONTRIBUTIONS

Retirement benefits to eligible employees of the Foundation are provided by The Teachers' Pension Scheme (TPS). This is a defined benefit scheme, which is externally funded. Contributions to the scheme are charged to the Statement of Financial Activities 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 present and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations, using a prospective benefit method.

### Group personal pension scheme

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the Scheme.

### Independent Schools Pension Scheme

This is a defined benefit scheme managed by TPT Retirement Solutions (formerly the Pensions Trust). Employer contributions are charged to the Statement of Financial Activities as they become payable. The contributions are determined by qualified actuaries on the basis of triennial valuations.

### Independent Schools Pension Scheme - Auto-Enrolment

From 1 April 2014 the Foundation opened a fourth pension scheme for all employees who were not entitled to or who had not opted to join one of the three existing schemes. Contributions are charged to the Statement of Financial Activities as they become payable.

### FIXED ASSET INVESTMENTS

Investments have been stated at their fair value at the beginning and end of the financial year. Realised and unrealised gains and losses are calculated by reference to the market valuation of the relevant investments at the start of the financial year.

### RESERVES

The Charity has permanently endowed funds, restricted funds and unrestricted funds. Restricted funds are separately accounted for in accordance with the terms of the originating deeds and documentation. In March 2007 the trustees received confirmation from leading Counsel that all original land and buildings, given to the Foundation in 1888 and additions thereto, were permanently endowed.

### TAXATION

St Dunstan's Educational Foundation is a registered charity and as such its income and gains falling within Sections 518 to 564 of the Income Taxes Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from income tax and capital gains tax to the extent that they are applied to its charitable objectives.

### AGENCY ARRANGEMENT

The Charity has an arrangement with the Friends of St Dunstan's College (FSDC) to make payments and receipts on its behalf. FSDC is a formally constituted grouping of parents who arrange social and charitable

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## ACCOUNTING POLICIES

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events for the benefit of pupils of the College. The Charity includes funds held at the year-end within its financial statements as the sums involved are not material.

### CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the application of the Charity's accounting policies the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects more than one period.

There are not considered to be any significant estimates or assumptions that might materially affect the financial statements.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 FINANCIAL PERFORMANCE OF THE CHARITY

The Consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary, College Hire Limited (note 6).

The trading company gift aids any surpluses to the Foundation as shown in note 6 and the gift aid is included with the Statement of Financial Activities (SOFA) for the Charity. The standalone SOFA for the Charity has therefore not been included.

2 FEES RECEIVABLE - COLLEGE	Total 2021 £k	Total 2020 £k
Fees receivable consist of:		
Gross fees	16,616	15,040
Less: Total scholarships, bursaries and other remissions	(1,802)	(1,717)
	<u>14,814</u>	<u>13,323</u>
Add: Contributions to fees made from the Foundation	<u>150</u>	<u>150</u>
	<u><u>14,964</u></u>	<u><u>13,473</u></u>

The Charity contributed £150k (2020: £150k) internally towards scholarships and bursaries: £128k (2020: £125k) from Unrestricted funds; and £22k (2020: £25k) from Restricted Funds which is shown in brackets in the Restricted Funds column.

3 OTHER INCOME	Total 2021 £k	Total 2020 £k
<i>Other educational income</i>		
Entrance and registration fees	87	56
Examination fees	61	76
After school care	41	54
Other income from pupils	269	242
CJRS income	153	353
	<u>611</u>	<u>781</u>
<i>Other ancillary income</i>		
Tuck shop	5	19
Pupil transport to school	38	20
Rental income (tangible fixed asset)	38	39
Other ancillary income	18	7
	<u>99</u>	<u>85</u>

In 2021 and 2020 all other income is unrestricted income.

Included in other income is £153k from the Coronavirus Job Retention Scheme (CJRS) (2020: £353k). This is the only form of direct financial assistance that has been received from the UK Government (2020: £353k) and there are no unfulfilled conditions relating to this income.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

4 INVESTMENT INCOME	Total 2021 £k	Total 2020 £k
Interest receivable	1	10
Rental income (investment property)	45	35
Listed investments	346	360
	<u>392</u>	<u>405</u>

The income from interest receivable totals £1k (2020: £10k) of which £1k (2020: £9k) was unrestricted and £nil (2020: £1k) was restricted.

All rental income is unrestricted in both years and arises from the Foundation's investment in the Fordmill Road Depot adjacent to the Jubilee Ground.

All income from listed investments arises from stocks acquired through a UK Stock Exchange. Income totalling £335k (2020: £347k) is unrestricted with £11k (2020: £13k) included within restricted funds.

5 VOLUNTARY INCOME	Total 2021 £k	Total 2020 £k
Donations	90	15
Legacies	63	61
	<u>153</u>	<u>76</u>

The income from donations and legacies was £153k (2020: £76k) of which £68k (2020: £1k) was unrestricted and £85k (2020: £75k) was restricted. Income shown as legacies derives from a trust created by a former pupil in his will. This income derives from a commercial property administered by a Board of Trustees.

## 6 INCOME FROM TRADING ACTIVITIES

The wholly owned trading subsidiary, College Hire Limited, is incorporated in England and Wales (company number 04396837) and distributes all of its profits to the charity under gift aid. College Hire Limited hires out facilities to the general public, charitable bodies and other hirers. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	Total 2021 £k	Total 2020 £k
Turnover	460	534
Cost of sales and administration costs	(478)	(571)
Net loss	<u>(18)</u>	<u>(37)</u>
Distribution to the charity	-	-
Retained in subsidiary	<u>(18)</u>	<u>(37)</u>

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

The assets and liabilities of the subsidiary were:

Fixed assets	-	-
Current assets	143	114
Current liabilities	(198)	(151)
Total net (liabilities)	<u>(55)</u>	<u>(37)</u>
Aggregate share capital and reserves	<u>(55)</u>	<u>(37)</u>

### 7 ANALYSIS OF EXPENDITURE

	Staff costs £k	Other Costs £k	Depreciation £k	Total 2021 £k	Total 2020 £k
<b>EXPENDITURE on</b>					
<i>Cost of raising funds</i>					
Fundraising	5	31	-	36	-
Leisure club and lettings	363	118	-	481	554
Financing costs	-	355	-	355	306
Investment management fees	<u>-</u>	<u>29</u>	<u>-</u>	<u>29</u>	<u>27</u>
	<u>368</u>	<u>533</u>	-	<u>901</u>	<u>887</u>
<i>Charitable activities</i>					
<b>School operating costs</b>					
Teaching costs	7,615	731	10	8,356	8,151
Welfare costs	-	670	21	691	661
Premises costs	519	1,097	1,222	2,838	2,714
Support costs	1,276	577	-	1,853	1,832
Donations and prizes	<u>-</u>	<u>27</u>	<u>-</u>	<u>27</u>	<u>56</u>
	<u>9,410</u>	<u>3,102</u>	<u>1,253</u>	<u>13,765</u>	<u>13,414</u>
	<u>9,778</u>	<u>3,635</u>	<u>1,253</u>	<u>14,666</u>	<u>14,301</u>

Expenditure on charitable activities was £13,765k (2020: £13,414k) of which £13,765k was unrestricted (2020: £13,381k) and £nil was restricted (2020: £33k).

#### Analysis of governance and support costs

Support costs have been analysed below and are included within school operating costs, as the charitable activity of the College.

Governance costs include audit fees, trustee indemnity insurance, trustee expenses, legal and professional fees for constitutional matters and meeting costs. These are apportioned between the charitable activities undertaking and the cost of raising funds through letting on the basis of 90% being allocated to charitable activities and 10% to the raising of funds through trading.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

	Support costs £k	2021 Governance costs £k	Total £k	Support costs £k	2020 Governance costs £k	Total £k
Staff and training costs	1,301	-	1,301	1,232	-	982
Marketing	131	-	131	163	-	175
Staff recruitment	49	-	49	45	-	62
Legal and professional fees	101	-	101	61	-	177
Pupil transport	68	-	68	59	-	93
Office costs	197	-	197	264	-	315
Administrative overheads	6	-	6	8	-	11
<b>Governance</b>						
Staff costs	-	60	60	-	55	55
Audit and other professional fees	-	48	48	-	57	57
Meeting and other governance costs	-	17	17	-	1	1
	<u>1,853</u>	<u>125</u>	<u>1,978</u>	<u>1,832</u>	<u>113</u>	<u>1,945</u>

8	NET INCOME FOR THE YEAR	2021 £k	2020 £k
	This is stated after charging:		
	Operating leases – equipment and temporary building	95	87
	Depreciation	1,253	1,201
	Governors' liability insurance	1	1
	Auditor's remuneration (including VAT)		
	- Audit fees	42	50
	- Other services – Corporate tax, VAT advisory and Teachers' Pensions	6	7
	Audit		

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### 9 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2021 £k	2020 £k
Wages and salaries	7,817	7,722
Social security costs	818	785
Other pension costs	1,143	1,157
	<u>9,778</u>	<u>9,664</u>

The average monthly head count was 237 staff (2020: 228 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

	2021 Number	2020 Number
Teaching	92	95
Teaching Support	45	38
Administrative Support	57	50
Lettings	14	16
	<u>208</u>	<u>199</u>

The key management personnel of the College for the financial year 2020/ 21 were the College Leadership Team (CLT). The CLT includes the Headmaster, Bursar and Clerk to the Governors, the Deputy Head Pastoral, the Deputy Head Academic and Head of the Junior School. Their total remuneration including pensions, private medical cover and employer national insurance contributions amounted to £675k in this financial year (2020: £658k).

Redundancy and termination payments of £41k were made during this financial year (2020: £74k).

Neither the governors nor persons connected with them received any remuneration or other benefits from the Foundation or any connected organisation.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### 9 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL (CONTINUED)

The number of employees whose annual equivalent emoluments exceeded £60,000 during the period were:

	2021 Number	2020 Number
£60,001 to £70,000	9	7
£70,001 to £80,000	2	3
£80,001 to £90,000	-	1
£120,001 to £130,000	1	1
£160,001 to £170,000	1	1

Contributions were made to the Teachers' Pension Scheme, of £160k (2020: £151k) in respect of 9 (2020: 10) of the employees reflected above (see note 22). Three (2020:2) higher-paid employees are members of the Independent Schools Pension Scheme- defined contribution scheme (see note 22). Contributions to this scheme during the year amounted to £23k (2020: £14k) for these other higher-paid employees. One (2020: 1) higher-paid employee is a member of the Independent Schools Pension Scheme – defined benefit scheme (see note 23). Contributions to this scheme during the year amounted to £9k (2020: £9k)

The expenses of the governors were as follows:

	2021	2020
Expenses to attend meetings (including annual conference)		
Governors – number: 6 (2020:0)	£325	-
Catering provided at meetings	£107	£1,115

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### 10 TANGIBLE FIXED ASSETS

	Land and Buildings	Motor Vehicles	Furniture & Equipment	Assets Under Construction	Total
	£k	£k	£k	£k	£k
<b>CONSOLIDATED</b>					
<b>Cost or valuation</b>					
1 August 2020	18,406	173	3,186	10,764	32,529
Additions	355	-	389	14,544	15,288
Disposals	(728)	(5)	(103)	-	(836)
Transfers	<u>23,439</u>	<u>-</u>	<u>720</u>	<u>(24,159)</u>	<u>-</u>
31 July 2021	<u>41,472</u>	<u>168</u>	<u>4,192</u>	<u>1,149</u>	<u>46,981</u>
<b>Depreciation</b>					
1 August 2020	6,588	161	2,274	-	9,023
Charge for the period	1,023	10	220	-	1,253
Released on disposal	<u>(626)</u>	<u>(5)</u>	<u>(98)</u>	<u>-</u>	<u>(729)</u>
31 July 2021	<u>6,985</u>	<u>166</u>	<u>2,396</u>	<u>-</u>	<u>9,547</u>
<b>Net book values</b>					
31 July 2021	<u>34,487</u>	<u>2</u>	<u>1,796</u>	<u>1,149</u>	<u>37,434</u>
31 July 2020	<u>11,818</u>	<u>12</u>	<u>912</u>	<u>10,764</u>	<u>23,506</u>

#### Freehold land and buildings at valuation (£k)

Main College building (Valued by Savills, Chartered Surveyors 27 April 1994)	1,700
Groundsman's House (Valued by Peter Leigh, Chartered Surveyors 16 December 1996)	<u>80</u>
	<u>1,780</u>

The freehold land and buildings were valued at open market value on an existing use basis. The historical cost information in relation to these buildings is not available. The trustees have considered the holding value of the fixed assets stated above on implementing FRS 102 and consider the values stated above remain appropriate taking in to account the educational activities of the Charity.

Included in Land and Buildings is freehold land valued at £1,502k (2020: £1,502k) which is not depreciated.

St Dunstan's Educational Foundation has pledged land and buildings, which had a net book value of £33,405k at 31<sup>st</sup> July 2021, to secure a bank loan with HSBC by way of a fixed charge (note 15b)

Included in Land and Buildings is £373k capitalised interest on the bank loan and the hedging instrument. Of this balance £322k was capitalised during the year (2020 £51k)

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### 10 TANGIBLE FIXED ASSETS (CONTINUED)

	Land and Buildings	Motor Vehicles	Furniture & Equipment	Assets Under Construction	Total
	£k	£k	£k	£k	£k
<b>FOUNDATION</b>					
<b>Cost or valuation</b>					
1 August 2020	18,406	173	3,162	10,764	32,505
Additions	355	-	389	14,544	15,288
Disposals	(728)	(5)	(103)	-	(836)
Transfers	<u>23,439</u>	<u>-</u>	<u>720</u>	<u>(24,159)</u>	<u>-</u>
31 July 2021	<u>41,472</u>	<u>168</u>	<u>4,168</u>	<u>1,149</u>	<u>46,957</u>
<b>Depreciation</b>					
1 August 2020	6,588	161	2,250	-	8,999
Charge for the period	1,023	10	220	-	1,253
Released on disposal	<u>(626)</u>	<u>(5)</u>	<u>(98)</u>	<u>-</u>	<u>(729)</u>
31 July 2021	<u>6,985</u>	<u>166</u>	<u>2,372</u>	<u>-</u>	<u>9,523</u>
<b>Net book values</b>					
31 July 2021	<u>34,487</u>	<u>2</u>	<u>1,797</u>	<u>1,149</u>	<u>37,434</u>
31 July 2020	<u>11,818</u>	<u>12</u>	<u>912</u>	<u>10,764</u>	<u>23,506</u>
<b>Cost or valuation</b>					
Cost	39,692	168	4,168	1,149	45,177
Valuation	<u>1,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,780</u>
	<u>41,472</u>	<u>168</u>	<u>4,168</u>	<u>1,149</u>	<u>46,957</u>

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### 11 INVESTMENTS

	Consolidated and Foundation			Total £k
	Unrestricted £k	Restricted £k	Endowment £k	
Balance at 1 August 2020	4,351	280	3,778	8,409
Additions	2	575	104	681
Disposals at opening market value	(14)	(197)	(16)	(227)
Revaluations	<u>446</u>	<u>46</u>	<u>258</u>	<u>750</u>
Balance at 31 July 2021	<u>4,785</u>	<u>704</u>	<u>4,124</u>	<u>9,613</u>
Listed on the Stock Exchange	4,125	701	4,099	8,925
Property (see note 12)	660	-	-	660
Funds held by Brokers for investment	-	<u>3</u>	<u>25</u>	<u>28</u>
	<u>4,785</u>	<u>704</u>	<u>4,124</u>	<u>9,613</u>

The investments are registered in the name of UBS AG and managed by UBS Wealth Management on behalf of the Charity.

Historical cost of investments listed on the stock exchange is £8,466k (2020: £8,053k). The historical cost of the property is not readily available.

There were no investments representing over five percent of the portfolio value.

Within the Foundation accounts is an investment of £1 in a subsidiary, College Hire Ltd. During the year this company ran the Leisure Club, and hired out other facilities to the general public, charitable bodies, the London Borough of Lewisham and other hirers. The Foundation owns 100% of the issued share capital of this company which is incorporated in the United Kingdom.

### 12 INVESTMENT PROPERTY

At 31<sup>st</sup> July 2021 the Foundation had one investment property known as Fordmill Road Depot which was uplifted in value from the purchase price of £503,969 to £660,000 in December 2015. The valuation of this industrial property was undertaken by Lambert Smith Hampton RICS Registered Valuers in October 2016. The valuation was carried out by considering the capitalisation of the rental values and having regard to the residual values.

### 13 CASH AT BANK AND IN HAND

As at 31 July 2021 £1m (2020: £1m) of the Foundation's cash balances are held as collateral to secure a bank loan with HSBC (note 15b). This amount is held in an interest-bearing account with the interest being in favour of the Foundation.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

14 DEBTORS	Consolidated		Foundation	
	2021 £k	2020 £k	2021 £k	2020 £k
Fee debtors	307	448	307	448
Trade debtors	110	81	94	61
Prepayments and accrued income	300	450	255	397
Amounts owed by group undertakings	-	-	139	106
	<u>717</u>	<u>979</u>	<u>795</u>	<u>1,012</u>

  

15 a CREDITORS: DUE WITHIN ONE YEAR	Consolidated		Foundation	
	2021 £k	2020 £k	2021 £k	2020 £k
Bank loan	750	-	750	-
Fees received in advance and deposits	1,128	1,052	1,128	1,052
Trade creditors	424	87	418	80
Taxation and social security	198	196	190	187
Pensions	142	142	141	143
Accruals and deferred income	1,628	768	1,584	745
Other creditors	<u>786</u>	<u>593</u>	<u>786</u>	<u>587</u>
	5,056	2,838	4,997	2,794
Advance fees (see note 16)	<u>834</u>	<u>820</u>	<u>834</u>	<u>820</u>
	<u>5,890</u>	<u>3,658</u>	<u>5,831</u>	<u>3,614</u>

  

15 b CREDITORS: AFTER MORE THAN ONE YEAR	Consolidated and Foundation	
	2021 £k	2020 £k
Bank loan	18,963	6,255
Hedging instrument for loan	609	1,416
Advance fees (see note 16)	1,222	1,271
Accruals	-	1,582
Other creditors	<u>129</u>	<u>122</u>
	<u>20,923</u>	<u>10,646</u>

### Bank loan

St Dunstan's Educational Foundation entered into a ten-year loan facility with HSBC in November 2019. This facility has a contractual variable interest rate linked to GBP 3 month LIBOR plus a margin of 2.25%. This rate will transition to SONIA plus a spread adjustment plus a margin of 2.25% from 31 January 2022.

St Dunstan's Educational Foundation is required to make quarterly repayments of the bank borrowings commencing the quarter ending 31 January 2022.

Bank borrowings are secured against the land and buildings of the Foundation (see note 10) and against collateral of £1m cash held in bank account (see note 13)

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

The bank loan facility agreement places some restrictions on the Foundation. In particular, the Foundation is required to maintain prescribed interest loan cover and debt service cover ratios for the duration of the loan.

A summary of the scheduled repayments of the bank loan is shown below:

	Consolidated and Foundation	
	2021 £k	2020 £k
Over 5 years	15,250	2,849
Within 2 to 5 years	3,000	3,000
Within 1 to 2 years	<u>1,000</u>	<u>750</u>
	19,250	6,599
Within 1 year	<u>750</u>	-
	<u>20,000</u>	<u>6,599</u>

The amount owed to the bank at 31 July 2021 was £20m (2020: £6,599k). The difference between this amount and the value of the loan in the balance sheet (2021: £287k, 2020: £344k) is due to unamortised loan arrangement costs.

### Hedging instrument for loan

St Dunstan's Educational Foundation is using an interest rate swap to manage its exposure to interest rate movements on its bank loan facility with HSBC. The Foundation entered into a variable to fixed interest rate swap with HSBC in December 2019. This contract swaps the variable rate of interest for the HSBC loan facility of GBP 3 month LIBOR (which will transition to SONIA plus a spread adjustment from 31 January 2022) for a fixed rate of 1.072% per annum for the period up to December 2029.

The interest rate swap was valued externally by the counterparty bank by calculating the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted LIBOR rates.

### Other creditors

In April 2019 the Foundation entered into a 5 year agreement with Holroyd Howe to provide catering to the College.

Existing assets, comprising a walk in freezer, kitchen refurbishment and dishwasher with net total book value of £50k were transferred from the previous caterer. These continue to be treated as fixed assets and are being depreciated over 2 years.

During the 2018/19 financial year Holroyd Howe also invested in an upgrade of the servery facility costing £153k and a mixer and washing machine costing a total of £16k. These are being treated as fixed assets and are being depreciated over 10 years and 5 years respectively.

The above sums are being written back over the life on the contract with Holroyd Howe. Of the sum invested £103k is reflected in other creditors over one year and £19k in creditors under one year with £32k being released to the Statement of Financial Activities in the year.

A summary of the position regarding the release of these sums to the Statement of Financial Activities is shown below:

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### Consolidated and Foundation

	2021 £k	2020 £k
Over 5 years	36	51
Within 2 to 5 years	48	52
Within 1 to 2 years	<u>19</u>	<u>19</u>
	103	122
Within 1 year	<u>19</u>	<u>32</u>
	<u>122</u>	<u>154</u>

#### 16 ADVANCE FEE PAYMENTS

College tuition fees may be paid in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the College, advance fees will be applied as follows:

### Consolidated and Foundation

	2021 £k	2020 £k
Over 5 years	65	86
Within 3 to 5 years	623	607
Within 1 to 2 years	<u>534</u>	<u>578</u>
	1,222	1,271
Within 1 year	<u>834</u>	<u>820</u>
	<u>2,056</u>	<u>2,091</u>

The balance represents the accrued liability under the contracts. The capital movements during the period were:

	2021 £k	2020 £k
Balance at 1 August 2020/2019	2,091	2,386
New contracts (less repaid)	<u>952</u>	<u>670</u>
	3,043	3,056
Amounts utilised in payment of fees to the college	<u>(987)</u>	<u>(965)</u>
Balance at 31 July 2021/2020	<u>2,056</u>	<u>2,091</u>

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### 17 ALLOCATION OF THE CHARITY'S NET ASSETS

2021

#### CONSOLIDATED

	Fixed Assets £k	Investments £k	Net Current Assets/ (Liabilities) £k	Long Term Liabilities (including pensions) £k	Recoupment Order £k	Total £k
Endowment Funds	31,084	4,124	31	-	(22,941)	12,298
Restricted Funds	-	704	190	-	-	894
Unrestricted funds	<u>6,350</u>	<u>4,785</u>	<u>(855)</u>	<u>(21,727)</u>	<u>22,941</u>	<u>11,494</u>
	37,434	9,613	(634)	(21,727)	-	24,686

#### FOUNDATION

	Fixed Assets £k	Investments £k	Net Current Assets/ (Liabilities) £k	Long Term Liabilities (including pensions) £k	Recoupment Order £k	Total £k
Endowment Funds	31,084	4,124	31	-	(22,941)	12,298
Restricted Funds	-	704	190	-	-	894
Unrestricted funds	<u>6,350</u>	<u>4,785</u>	<u>(800)</u>	<u>(21,727)</u>	<u>22,941</u>	<u>11,549</u>
	37,434	9,613	(579)	(21,727)	-	24,741

2020

#### CONSOLIDATED

	Fixed Assets £k	Investments £k	Net Current Assets/ (Liabilities) £k	Long Term Liabilities (including pensions) £k	Recoupment Order £k	Total £k
Endowment Funds	17,527	3,778	31	-	(10,540)	10,796
Restricted Funds	-	280	794	-	-	1,074
Unrestricted funds	<u>5,979</u>	<u>4,351</u>	<u>54</u>	<u>(11,534)</u>	<u>10,540</u>	<u>9,390</u>
	23,506	8,409	879	(11,534)	-	21,260

#### FOUNDATION

	Fixed Assets £k	Investments £k	Net Current Assets/ (Liabilities) £k	Long Term Liabilities (including pensions) £k	Recoupment Order £k	Total £k
Endowment Funds	17,527	3,778	31	-	(10,540)	10,796
Restricted Funds	-	280	794	-	-	1,074
Unrestricted funds	<u>5,979</u>	<u>4,351</u>	<u>91</u>	<u>(11,534)</u>	<u>10,540</u>	<u>9,427</u>
	23,506	8,409	916	(11,534)	-	21,297

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### 18a FUNDS

	<i>Balance at 1 August 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Realised/ unrealised gains/ (losses)</i>	<i>Transfers</i>	<i>Balance at 31 July 2021</i>
	£k	£k	£k	£k	£k	£k
<b>Unrestricted:</b>						
College plus College Hire Limited	5,701	16,095	(14,609)	814	(117)	7,884
Other	<u>3,689</u>	<u>358</u>	<u>(57)</u>	<u>447</u>	<u>(827)</u>	<u>3,610</u>
	<u>9,390</u>	<u>16,453</u>	<u>(14,666)</u>	<u>1,261</u>	<u>(944)</u>	<u>11,494</u>
<b>Restricted funds:</b>						
Development Fund	91	-	-	-	-	91
Bursary Fund	248	-	-	23	-	271
Prize and Other Funds	<u>735</u>	<u>74</u>	-	<u>23</u>	<u>(300)</u>	<u>532</u>
	<u>1,074</u>	<u>74</u>	-	<u>46</u>	<u>(300)</u>	<u>894</u>
<b>Foundation Endowed funds:</b>						
Foundation capital	10,630	-	-	258	1,244	12,132
Legacies	12	-	-	-	-	12
Prize and Other Funds	<u>154</u>	-	-	-	-	<u>154</u>
	<u>10,796</u>	-	-	<u>258</u>	<u>1,244</u>	<u>12,298</u>
<b>TOTAL</b>	<u>21,260</u>	<u>16,527</u>	<u>(14,666)</u>	<u>1,565</u>	<u>-</u>	<u>24,686</u>

A brief description of the funds is set out below:

#### *Unrestricted funds*

The "College plus College Hire" unrestricted reserves represent the accumulated surpluses generated by the College and its wholly owned trading company College Hire Limited during their period of operation.

The "Other" unrestricted reserves have arisen principally from the investment activities of the Foundation. These represent both surpluses on invested funds and accumulated investment gains arising from the sale and revaluation of invested assets over time.

#### *Restricted funds*

The Foundation has a significant number of restricted funds which have arisen since St Dunstan's College opened in 1888. The largest of these funds are as follows:

**Development Fund-** This represents the balance of an appeal undertaken in the 1990's which principally funded the building of the current Sports Hall on the Stanstead Road site.

**Development Appeal Bursary Fund-** This fund arises from an appeal in the 1980's and 1990's to raise funds to fund awards made to boys and girls attending the school. The income of this fund is utilised to fund such awards and the capital is invested to generate income.

**Prizes and Other funds-** These are funds which have been given to the Foundation over many years for specific purposes and are utilised in accordance with the donor's wishes. The largest of these funds is the Heaton Ciffin

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

Fund which represents a legacy given by a former pupil of the school which gives the income arising from a local commercial property through a Will Trust to the Foundation on an annual basis. The annual income is circa £60k and is to be utilised to further British exports (70%) and team games (30%) or in a manner determined by the trustees. The balance held at 31<sup>st</sup> July 2021 on this fund was £446k (2020: £384k).

Most other funds in this category are specific prize funds, bursary or scholarship funds of a specific nature.

### *Foundation Endowment Funds*

Foundation Capital- This represents the permanently endowed funds of the Foundation. These funds originate from the original endowment which was effectively given to the Foundation in 1867 and subsequently, under various Schemes of Arrangement made by the Charity Commission. These monies originate from the Parish of St Dunstan's in the East in the City of London. They are represented by an endowed investment portfolio and property. The trustees utilise these funds to make improvements to the endowed property in accordance with the originating Schemes of Arrangement.

Legacies: These represent the balance of various legacies which have been given to the Foundation.

Prize and Other Funds: These are other funds given to the Foundation generally via way of legacy or bequest.

## 18 b TRANSFERS

Transfers between the various funds were as follows:

	Unrestricted funds 31 July 2021	Restricted funds 31 July 2021	Endowment funds 31 July 2021	Total £k
	£k	£k	£k	
Additions to Endowed Property	(14,237)	-	14,237	-
Transfer of cash from Restricted Funds	300	(300)	-	-
Depreciation Adjustments to Endowed Property	577	-	(577)	-
Write off of Endowed Property	102	-	(102)	-
Net additions to Endowed Investments	(87)	-	87	-
Recoupment Order	<u>12,401</u> (944)	<u>-</u> (300)	<u>(12,401)</u> 1,244	<u>-</u> -

The transfers above represent:

- The value of additions to tangible fixed assets which are situated on endowed land
- Transfer of cash from Heaton Caffin Export Fund to College to help fund the new Junior School, STEM and Sixth Form building
- The depreciation of endowed tangible fixed assets, the expense for which is transferred from unrestricted funds to endowed funds
- The value of tangible fixed assets on endowed land that were written off during the year
- The purchase of endowed investments from unrestricted funds
- The value of the net recoupment order (see note 27)

## 19 CONTRACTS AND COMMITMENTS

At 31 July 2021 the Group had capital commitments totalling approximately £322k (2020: £12,358k).

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

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### 20 OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases for equipment and minibuses are as follows:

<b>As lessee</b>	<b>2021</b>	<b>2020</b>
	£k	£k
Amounts due:		
Within one year	50	82
Between two and five years	<u>145</u>	<u>133</u>
	<u>195</u>	<u>215</u>
<b>As lessor</b>		
Amounts due:		
Within one year	42	42
Between two and five years	<u>84</u>	<u>169</u>
	<u>126</u>	<u>211</u>

The rental received as lessor relates to a property known as Fordmill Road Depot. It was let from 1st August 2020 on a five-year lease.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### 21 FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments at 31<sup>st</sup> July were as follows

	Consolidated		Foundation	
	2021 £k	2020 £k	2021 £k	2020 £k
<b>Financial assets:</b>				
<b>Debt instruments measured at amortised cost</b>				
Fee debtors	307	448	307	448
Trade debtors	110	81	94	61
Accrued income	65	180	23	127
Amounts owed by group undertakings	-	-	139	106
<b>Investments measured at fair value</b>				
Stock market investments	8,952	8,409	8,952	8,409
<b>Total</b>	<b>9,434</b>	<b>9,118</b>	<b>9,515</b>	<b>9,151</b>
<b>Financial liabilities:</b>				
<b>Financial liabilities measured at amortised cost</b>				
Fees received in advance and deposits	1,128	1,052	1,128	1,052
Trade creditors	424	87	418	80
Accruals	1,595	2,336	1,584	2,327
Other creditors	1,057	857	1,054	852
<b>Other financial liabilities</b>				
Bank Loan	19,713	6,255	19,713	6,255
Hedging Instrument for Loan	609	1,416	609	1,416
Advance fees	2,056	2,091	2,056	2,091
<b>Total</b>	<b>26,582</b>	<b>14,094</b>	<b>26,562</b>	<b>14,073</b>

### 22 PENSION COSTS

As explained in the accounting policies, the College operates five different pension scheme arrangements.

#### Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes employer contributions payable to the TPS of £991k (2020: £1,011k) and at the year-end £167k (2020 - £195k) was accrued in respect of employer and employee 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.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

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### Valuation of the Teachers' Pension Scheme

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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary and are aiming to implement these changes in time for the 2020 valuations.

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 the cost cap mechanism revision is completed 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.

### Group Personal Pension Scheme

Under the terms of the new St Dunstan's Educational Foundation Group Personal Pension Scheme ("the Scheme"), which is open to all of the College's non-teaching employees, the College matches employees' contributions (at a rate of 3%, 5%, 6% or 7%) to his or her own individual policy with the Scheme provider, Phoenix AMP (formerly AMP/NPI). The Scheme was revised in the year 2000 to comply with Government legislation. Due to poor investment returns on this type of policy, the governors decided that the Foundation would allow non-teaching staff to join the Independent Schools Pension Scheme (ISPS), with effect from 1 February 2004. Most former members of the scheme have transferred to ISPS.

Employer contributions payable to the Scheme in the year amounted to £1k (2020: £1k).

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

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### Independent Schools Pension Scheme ("ISPS")

The Charity participates in the ISPS Pension Scheme.

The ISPS Pension Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme. A number of benefit structures are available. The Foundation has opted for final salary with a 1/80th accrual rate.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period ended 31 July 2021 there has been a joint contribution rate of 23.1% comprising employer contributions of 14.1% and member contributions of 9%.

As at the balance sheet date there were twelve active members of the Scheme employed by the Foundation.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the scheme assets are co-mingled for investment purposes and benefits are paid from the total scheme assets.

The last full actuarial valuation of the Scheme was performed as at 30 September 2017 by a professionally qualified actuary using the "projected unit method". The market value of the scheme's assets at the valuation date was £149.4m. The valuation revealed a shortfall of assets compared with the value of liabilities of £38.2m, equivalent to a past service funding level of 80%.

The financial assumptions underlying the valuation as at 30 September 2017 were as follows:

	<b>% pa</b>
Discount rate pre-retirement	4.21
Discount rate post-retirement	2.26%
Pensionable earnings growth	CPI - 2.45%
Rate of price inflation	RPI - 3.35% CPI - 2.45%

The valuation was carried out using the SAPS (Self-Administered Pension Scheme) Series 2 all pensioners by amounts tables with a scaling factor of 57% pre-retirement and 86% post retirement. The latest release of the Continuous Mortality Investigation Bureau projections, known as 'CMI\_2013' were used for mortality projections with long term improvement rates of 1.5% per annum for males and 1.25% per annum for females

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## NOTES TO THE FINANCIAL STATEMENTS

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being used. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

	<b>Males</b>	<b>Females</b>
	Assumed life expectancy in years at age 65	Assumed life expectancy in years at age 65
Non-pensioners	26.1	27.4
Pensioners	23.8	25.5

The long-term joint contribution rate (i.e. employer and employee contributions) was assessed at 21% prior to 1 September 2017, then 27.3% for the 1/80<sup>th</sup> scheme).

Following consideration of the results of the Scheme's 2017 actuarial valuation it was agreed that the shortfall of £38.2 million would be dealt with by the payment of deficit contributions of £2.4 million per annum from 1 September 2019. These deficit contributors are in addition to the long-term joint contribution rates.

Under FRS 102 the Charity has been required to bring the past deficit contributions in to its balance sheet as a liability and charge past deficit contributions in the year against that liability. The movements on this provision are fully explained in note 23.

If the valuation assumptions are borne out in practice the pattern of contributions should be sufficient to eliminate the part service deficit, on an ongoing funding basis, by 30<sup>th</sup> April 2030.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The Scheme Actuary has estimated the employer debt that would have been payable if the employer had withdrawn from the Scheme at 30 September 2014 would have been £4m. The Foundation does not see a situation where it would withdraw its employees from participating in one of the pension options on offer from TPT Retirement Solutions and therefore it is highly unlikely that a debt on withdrawal liability would arise.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt. The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Employer contributions during the year excluding past deficit contributions amounted to £50k (2020: £60k).

Former members of the 1/60<sup>th</sup> Defined Benefit Scheme were offered the opportunity to transfer in to a 1/80<sup>th</sup> Defined Benefit with contribution rates of 9% for the employee and 14.1 % for the employer with TPT following the 2014 actuarial valuation. Employer contributions for the year ended 31<sup>st</sup> July 2021 are estimated at £40k (2021: £53k).

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The Scheme offers a Growth Plan as an additional voluntary contribution vehicle for members. The Charity does not participate in the Plan, no members make additional voluntary contributions. The Charity has been informed by the ISPS that it has no employer debt in relation to the Growth Plan.

### ISPS -Defined Contribution Scheme (Auto Enrolment)

With effect from 1st April 2014 the Foundation was required to enrol members of its staff not currently in a pension scheme, in to a defined contribution scheme. The Foundation has used the Scheme provided by ISPS to meet its obligations under the auto-enrolment regulations. Employers and Employee rates are currently set at 3% and 5% respectively, with certain employees entitled to increase their employee contributions, with matching contributions from the Foundation of up to 10%. During 2014 employees of College Hire Limited also became entitled to join the Scheme. At the balance sheet date there were 89 (2020: 84) members active in this Scheme. During the year ended 31st July 2021 the Foundation has contributed £88k to this Scheme (2020: £86k).

### Aviva Pension Trust for Independent Schools (APTIS) – Defined Contribution Scheme

With effect from 1<sup>st</sup> September 2020 the Foundation has allowed teachers to opt out of the Teacher Pensions Scheme and enrol in APTIS. The minimum employee contribution rate is 2% and the Foundation will contribute between 6% (minimum) and 16% (maximum) of an employee's salary. The employee selects the employer rate between these parameters and can select to receive additional salary of up to 10%. At the balance sheet date there were 3 (2020: nil) members active in this Scheme. During the year ended 31st July 2021 the Foundation has contributed £7k to this Scheme (2020: nil).

## 23 DEFINED BENEFIT PENSION SCHEME LIABILITY

The Foundation as explained in note 22 is required under FRS 102 to account for its share of the funding deficits on the ISPS Scheme valuations as identified by the 2014 and 2017 valuations of this multi-employer Final Salary Scheme.

The movements on this provision have been as follows:

	Consolidated and Foundation	
	2021	2020
	£k	£k
Liability at 1st August 2020/ 2019	888	939
Interest expense	7	12
Deficit contributions paid	(84)	(80)
Impact of change in assumptions	(7)	17
Liability at 31st July 2021/2020	804	888

The above deficit contributions and provision have been calculated and provided to the Foundation by TPT Retirement Solutions (formerly The Pensions Trust).

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The provision and deficit contributions take in to account relevant discount rates and bond yields. The recovery plan for the Scheme is aimed at eliminating the funding shortfall by 31st August 2030.

Deficit contributions from 1st September 2019 were £6,744 per month until 1 September 2020 when these rose to £6,946 per month. The deficit contributions rose by 3% from 1 September 2021 and will rise again by 3% each year from 1 September 2022.

### 24 RELATED PARTY TRANSACTIONS

The Foundation's transactions with its wholly owned subsidiary College Hire Limited and balances owing were as follows.

Summary of account	2021 £k	2020 £k
Balance owing at 1 <sup>st</sup> August 2020/2019	106	113
Recharges from Foundation to company		
Salaries and direct costs	9	14
Expenses	25	24
Provision of services by company to Foundation	(1)	-
Money transfers including gift aid	-	(45)
Gift Aid payable	-	-
Balance owing at 31 <sup>st</sup> July 2021/2020	<u>139</u>	<u>106</u>

There were no other related party transactions during the year. (2020: none).

### 25 AGENCY ARRANGEMENT

The Foundation has an agency arrangement with the Friends of St Dunstan's (FSDC) to hold monies on their behalf. FSDC is a Committee of parents who organise social events for the benefit of pupils and parents of the school. At 31 July 2021 the College held £17k (2020: £34k). The cash is held in the Foundation's bank account. This is a long standing arrangement which helps FSDC to undertake their activities which are all ultimately undertaken for the benefit of pupils of the school.

### 26 CONTINGENT LIABILITY

In December 2019 HMRC determined that College Hire Ltd was not an 'eligible body' for an exemption under VAT Act 1994. Subsequently, HMRC has also concluded that all supplies made by College Hire Ltd were actually management services provided to the parent charity, St Dunstan's Educational Foundation. If College Hire Ltd's supplies were managing services to the parent charity, then the estimated amount of VAT owed to HMRC at the balance sheet date is approximately £338k. This has increased from the previous year estimate of £260k due to this later conclusion from HMRC. The directors of College Hire Ltd, following expert advice from RSM UK Tax and Accounting Limited, disagree with HMRC's conclusion and, as this obligation is not considered probable in their opinion this amount has not been recognised as a liability in these financial statements. The directors of College Hire Ltd have therefore appealed HMRC's decision.

# ST DUNSTAN'S EDUCATIONAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### 27 CHARITY COMMISSION RECOUPMENT ORDER

The following recoupment order is reflected in the financial statements at 31 July 2021:

Date of Order	Capital Sum £k	Amount Outstanding £k	Method of Recoupment	Last Payment Year
4 Aug 2020	23,413	22,941	£472k per annum for a period of 50 years	2070

The Commission has authorised the trustees to spend the sum of not more than £23.6m from the charity's permanent endowment for the purpose of constructing the new Junior School, STEM and Sixth Form building. At 31 July 2021 the capital sum of the recoupment order is £22,941k (2020: £10,540k).

### 28 ANALYSIS OF CHANGES IN NET DEBT

#### Consolidated

	At 1 Aug 2020 £k	Cash flows £k	At 31 Jul 2021 £k
<b>Cash and cash equivalents</b>			
Cash	<u>3,550</u>	<u>981</u>	<u>4,531</u>
	3,550	981	4,531
<b>Borrowings</b>			
Debt due within one year	(32)	(737)	(769)
Debt due after one year	<u>(6,377)</u>	<u>(12,689)</u>	<u>(19,066)</u>
	(6,409)	(13,426)	(19,835)
<b>TOTAL</b>	(2,859)	(12,445)	(15,304)

#### Foundation

	At 1 Aug 2020 £k	Cash flows £k	At 31 Jul 2021 £k
<b>Cash and cash equivalents</b>			
Cash	<u>3,514</u>	<u>939</u>	<u>4,453</u>
	3,514	939	4,453
<b>Borrowings</b>			
Debt due within one year	(32)	(737)	(769)
Debt due after one year	<u>(6,377)</u>	<u>(12,689)</u>	<u>(19,066)</u>
	(6,409)	(13,426)	(19,835)
<b>TOTAL</b>	(2,895)	(12,487)	(15,382)