DOWNE HOUSE SCHOOL

England & Wales · Charity number 1015059

Details

Other names	DOWNE HOUSE 21ST CENTURY APPEAL
Status	Registered
Legal form	Charitable company
Company number	02645228
Registered	1992-11-05
Register	View on the Charity Commission register

Contact

Address	Downe House School Downe House Hermitage Road Cold Ash Thatcham RG18 9JJ
Phone	01635200286
Email	correspondence@downehouse.net
Website	www.downehouse.net

Activities

Objects: TO PROMOTE AND PROVIDE FOR THE ADVANCEMENT OF EDUCATION AND IN CONNECTION THEREWITH BUT WITHOUT LIMITATION TO THE FOREGOING TO CONDUCT ACQUIRE AND CARRY ON IN THE UNITED KINGDOM AND ANY PART OF THE WORLD ANY BOARDING OR DAY SCHOOL OR SCHOOLS FOR THE EDUCATION OF CHILDREN OF EITHER SEX OR BOTH SEXES IN ALL DISCIPLINES AND FIELDS OF STUDY.

Activities: The School is a boarding school for girls from ages 11 to 18 and aims to promote the development of the individual by enabling girls to strive for the highest academic results of which they are capable. They should also be able to enjoy the opportunities and support which allow them to develop the personal, social, spiritual and emotional awareness that is the balance to academic excellence.

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Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- France
- West Berkshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£29,645,000	£28,987,000	£27,695,000	466
2024-08-31	£26,791,000	£26,828,000	£26,850,000	323
2023-08-31	£24,341,000	£25,442,000	£26,722,000	310
2022-08-31	£23,329,000	£23,198,000	£27,835,000	287
2021-08-31	£20,999,000	£20,673,000	£27,761,000	285

Trustees

Name	Role	Appointed
Sally McNair Scott	Chair	2022-03-03
Elizabeth Clarke		2018-11-29
Jeremy John Farrell		2025-12-10
Michael James Brennan		2024-11-29
Nick Woods		2023-03-02
Sarah Coiley		2024-11-29
Theo Williams		2024-06-20
Timothy Boucher		2019-11-28
William Arthur Chuter		2025-12-10
William Landale		2024-07-20

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Linked charities

- THE OLIVE WILLIS TRUST FUND (1015059-1)
- DOWNE HOUSE APPEAL FUND (2009) (1015059-2)

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DOWNE HOUSE SCHOOL

England & Wales - Charity number 1015059

Accounts

Downe House School

Annual report and financial statements

for the year ended 31 August 2025

Registered Number: 2645228
Registered Charity Number: 1015059

Downe House School

Annual report and financial statements for the year ended 31 August 2025

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Report of the Trustees and Strategic Report

The Trustees present their annual report and the audited financial statements of the group for the year ended 31 August 2025.

The information with respect to Trustees, Officers and Advisors set out on page 45 forms part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, and the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS 102)" – Second Edition.

ACHIEVEMENTS AND PERFORMANCE

Review of 2024/2025

The Public Examination results this year remained very positive. GCSE passes at 4-9 grade (A* to C) or equivalent grades = 99% (2024: 99%) with 81% being at 7 – 9 grade (2024: 75%) and 66% at 8 – 9 grade (2024: 55%). A level passes A* to B or equivalent grades = 83% (2024: 82%).

The range of universities at which pupils achieved places includes Oxbridge, St. Andrew's, Bristol, Durham, Edinburgh, Exeter, London, Leeds and Manchester, as well as leading universities across the globe including in the US, Canada, Australia, Hong Kong and Europe. It has also been very pleasing to see a wide variety of courses represented in the applications, including a significant percentage of STEM related courses.

This year the School was subject to a full inspection by the Independent Schools Inspectorate. Although it was a routine inspection, the School was very pleased to have many of its strengths recognised by the inspectors, including the strong academic standards, high levels of pastoral care, broad range of activities and its comprehensive global programme, and it was most importantly fully compliant in meeting all statutory obligations. The recommended area for development was careers provision for the 11- to 13-year-olds and plans to take this forward are already under way.

Ensuring the highest standards of teaching and learning remains a key strategic objective for us. Our Director of Teaching and Learning has, with the support of the Deputy Head Academic, instituted a series of departmental visits to review lessons and teaching practice in the departments. The Director of Curriculum has met with groups of pupils to reflect on the work they are undertaking in the departments and the Director of Digital Learning has considered how effectively AI and digital platforms are being used. Formal feedback in the form of a report is shared with the Heads of Department, members of the Department and the Leadership Team Education Group so that trends across departments can be identified. Recommendations are incorporated into Departmental Development Plans so that visits have a tangible impact.

INSET has also focused on Excellence in Teaching and the regular programme of weekly sessions has enabled staff to share good practice and discuss ideas and approaches. Feedback for teachers is also given through the Class Voice system where classes give anonymous feedback to their teachers and Pupil Voice, a newly introduced system, enables individual pupils to consider the things that are most helpful to them to enable them to learn effectively. This data is also made available to teachers. Our training partnership for Middle Leaders with Bradfield College and Winchester College has remained popular and successful and has been complemented by a series of Line Manager Workshops run by the Director of HR. The Deputy Head Pastoral has added a series of internal House staff exchanges so that colleagues can see each other's Houses as well as sharing good practice with other schools. The School seeks to be at the forefront of educational development and practice and our third annual Academic Conference showed that this is certainly the case.

Our 'Parenting and Educating in Partnership' Programme continues to be highly valued by parents. The programme is adjusted to include issues that are topical, for example, managing mobile phones. Our Director of Pupil Well-being writes a weekly blog on topical issues which includes resources that may be useful to parents, and this has been well received.

Report of the Trustees and Strategic Report (continued)

The continuation of the delivery of online seminars and lectures has meant that many more parents are able to access material and indeed do so. These talks are very often recorded and the take-up of parents watching them at a later stage is high.

The Coordinator of EDI has continued to focus on ensuring that a culture of inclusivity remains part of the fabric of the School, with greater awareness raised through Black History Month, Pride Week and a Neurodiversity Week. Our strategic partnership developed with nearby boys' schools, also plays a significant part in helping to explore healthy and respectful relationships with pupils from Year 7 upwards. Chloe Combi, an expert in the field, continues to guide us and analyse the work that we are doing to ensure that it is achieving its aim.

Safeguarding the welfare of all our young people remains a key priority for all the adults connected with the School. Appropriate training and checks are in place and the School continues to have a team of Senior Staff trained to level 3 so that the Designated Safeguarding Lead (DSL) has good support. This year the Director of Health joined the Safeguarding Team and she too has completed her level 3 training.

In addition to the series of House and year-group events for parents to enable them to develop connections with members of the school community, our first regional events have also taken place. These have been very well received, and attendance has been good. House staff have run overseas virtual coffee and tea meetings to help create a greater sense of belonging within our overseas communities. We have also been assisted in generating higher levels of parent engagement through our excellent programme of Parent Ambassadors, a group of volunteer parents who support our events. We continue to encourage feedback from our parents and annual Parent Webinars take place every Lent term and enable the Headmistress to update parents on the School's strategic objectives for the coming year.

Our new Head of Academic Enrichment has been reviewing our provision this year and enhancing it with competitions and academic activities for Houses and year groups and is constructing a more strategic plan for increasing the variety of academic clubs and societies. Participation in academic competitions, for example Olympiads, is high and success rates are very pleasing. Further Academic Symposiums have also taken place for our Year 10 and Year 12 students focused on Science, Languages and Humanities, and Debating is flourishing throughout the School.

The World Ready Programme, a programme that draws together all the activities that are offered to the students at Downe House to ensure that they are ready to take their place in the world, continues to be a great success and is regularly evaluated and adapted. It is a three-part programme with Years 7 and 8 being the World Aware section, Years 9 – 11 being the World Explore section and Years 12 and 13, the World Ready section. It includes a broad and rich academic curriculum, excellent pastoral support and a varied and challenging co-curricular programme complemented by a range of initiatives to help all students to develop the Downe House DNA (Compassion, Collaboration, Creativity, Resilience, Aspiration, Communication, Outward-looking). This includes, for example, all students having the option to develop leadership skills throughout their time at Downe, all students having the opportunity to do a Mini MBA overseen by Hult Ashridge College, the Microsoft Office Specialist qualification, the Ivy House Leadership qualification, the Leiths Cookery qualification and much more.

Our Global programme feeds into the World Ready programme and this year has been further enhanced with the launch of the Exploring Europe programme for the Lower School. Legislative and fiscal changes have made it too challenging to continue to offer a residential term in France in Year 8 and this has been replaced by what the School believes to be an exciting curriculum to enable pupils to learn about the continent in which they are being educated, including four visits to Europe, the addition of an extra language - German, being taught and an Exploring Europe course delivered to everyone. This is then built upon in Years 9 to 11 with our Global Schools' Exchange Programme and in Years 12 and 13 by our Global Internship opportunities.

Report of the Trustees and Strategic Report (continued)

We believe our pupils will all have had an opportunity to experience the world first-hand through these experiences or one of the many overseas trips offered.

Developing the whole person is at the heart of a Downe House education. Drama, Dance and Music have continued to maintain a high profile throughout the year. Productions of 'Little Women', 'The Addams Family', 'Journey's End' and 'Avatar' and many more ensured that girls from a variety of ages were able to shine and they were excellent. Our annual House Drama, House Dance and House Gym Competitions showcased a wonderful range of talent. Some of the productions mentioned above formed a key part of the Founder's Weekend programme. There were also wonderful displays of Art, Textiles, 3D Design and Photography in the Murray Centre. The choirs and some of our instrumentalists and ensembles performed in outstanding concerts at Founder's Weekend at St John's Church in Newbury. We enjoyed an exceptional Carol Service in London. A Musical Theatre Day for Prep School and Primary School children respectively were both extremely well attended and enjoyed!

In Sport there was activity in every area in the Michaelmas, Lent and Summer terms including Lacrosse, Netball, Hockey, Swimming, Athletics, Cricket, Riding, Tennis, Badminton, Basketball, and Squash with various inter-school competitions and matches being won and many girls being chosen to represent their region or country in Lacrosse in particular. Pre-season training continues to be a strong feature of the preparation for each season and valued by the girls and staff. A Lacrosse training camp for prospective students and students new to the School took place again this year. Sports tours to Portugal for Tennis, the US for Lacrosse and Dubai for Netball have taken place or are planned. An excellent Sports Workshop was also run for feeder school children.

The programme for our scholars in each discipline - Academic, Art, Music, Drama and Sport, has continued to flourish and develop, and the support which each award-holder receives is now well recognised and highly valued by the girls and staff. We continue to invest in this programme with a selection of speakers, workshops and training/practice taking place each week.

The School is committed to providing an excellent holistic education 24/7. Downe House wants all its students to have a range of activities offered both at weekends and in the evenings to encourage girls to develop interests and skills and gain experience which will, we hope, help to build their confidence. The girls have enjoyed visits to the cinema, socials with other schools, and trips to Chessington, Oxford, Cadbury World, Thorpe Park and so on. Commitment to the Duke of Edinburgh award scheme remains strong at Bronze and Gold level, as does the commitment to the Peer Support and Academic Mentor Programme in the Sixth Form. What has been particularly pleasing this year is the high levels of commitment by the Sixth Form to our expanded Community Service programme building a culture of leadership as service.

The School maintains strong links with a number of local charities which it supports, and the Upper School Houses have maintained their commitment to supporting a local UK-based charity as well as their link charity overseas. Charities and causes high on our list include Swings and Smiles, West Berks Foodbank, and JDRF Diabetes UK, as well as giving support to world disaster funds as the need arises. Individual girls continue to be able to choose and present on charities that are particularly meaningful to them or their families in order to raise money through a mufti day or similar activity in School. In order to build our partnerships with the local community further this year, we held a celebratory tea with representatives from those charities which we support as well as local suppliers, business and schools. It was a great success.

Two of our most important partnerships are of course with our sister schools, Downe House Muscat and Downe House Riyadh. We continue to explore opportunities for collaboration with partnership activities, for example prefect training, taking place across the three schools and offering opportunities for the pupils and staff to enhance their understanding of this wonderful part of the globe. We were pleased to welcome a visiting group of Year 9 pupils from Downe House Riyadh as well as two girls from the Sixth Form. Everyone learnt a great deal from these visits, as we did from the visits of the Deputy Head Academic and the Director of Performing Arts from Riyadh. More is planned for 2025/6.

Report of the Trustees and Strategic Report (continued)

It goes without saying that the success of the School is wholly reliant on our highly dedicated and professional staff body. We remain committed to investing in our staff, and regular training opportunities are offered in different areas, from technology to EDI to classroom practice and well-being. They share their considerable expertise with one another as a matter of course. A comprehensive induction programme is in place for all staff so that they are able to gain a good understanding of the School and have appropriate support.

The imposition of VAT on school fees, the loss of Business Rate Relief and the increase in NI contributions have presented a challenging financial backdrop for Downe House alongside many in the independent sector. The School has taken a number of key strategic decisions in response to these changes including a sharp focus on cost containment, revenue generation and opening up the ways in which families can access a Downe House education.

With cost containment in mind, the School has decided to focus on sustainability and preserving our heritage by making improvements to our existing Estate. Good examples of this would be the replacement of the swimming pool windows - an improvement which will also bring with it significant energy savings, painting the main building, refurbishing our Modern Languages Department and developing one of the Drama Studios to make it a much better performance space. The latter is being funded by generous donations from our Annual Giving Fund and follows on from the very successful fundraising campaign to develop a new gym which was opened in September 2024. Our Director of Development continues to make inroads into establishing a culture of fundraising amongst our stakeholders, focusing on parents first, and sharing our vision for the development of the campus. The first major project will be a new Maths and Digital Innovation Department.

In addition to fundraising, the School has continued to make available its facilities for commercial lettings. This generally centres around lettings of the sports facilities in term-time and commercial lets in the Summer holidays. However, for the first time this year, Downe House has run its own Summer School which has been very successful in generating revenue for the School and it is anticipated that this will be built upon and expanded next year.

Although pupil numbers remain resilient, there is no doubt that this remains a challenging time for girls' boarding schools both because of the increasing costs for parents who are now paying 20% VAT on top of their fees, and because parents generally want much greater access to their children and more flexibility than was previously the case. In recognition of both these factors, the School launched its new flexible boarding offering and day option from September 2025 with transport. We are pleased with the positive levels of interests and confident that this will further open up opportunities to attract to a wider variety of families who may not naturally be comfortable with full boarding. Of primary importance, is that we maintain a high-quality provision of education shared as widely as possible through effective marketing and communications.

It was a great pleasure to welcome a new Head of Marketing and Communications at the start of the new academic year. The postholder has made significant inroads into improving and rationalising our communications as well as ensuring much greater consistency and a much more creative approach. A full Brand Review was also undertaken which has resulted in a new strapline, *Inspiring Girls*, a newly crafted Purpose, Promise and Principles tenet to support and complement the Downe House DNA. Work is now being done on developing a three-year marketing plan which considers both pupil and staff recruitment and retention.

Our Board of Governors and Leadership Team review the School's strategy every year and the School remains confident in the importance and merit of delivering an all-round, excellent 24/7 values-driven education tailored to the needs of girls. It is nevertheless also committed to remaining commercially agile and it is not afraid to make changes and improvements to ensure the education it delivers remains current and relevant.

Report of the Trustees and Strategic Report (continued)

Community Engagement

Downe House is committed to playing an active part in the local community. To that end, as well as supporting local businesses, the School supports a number of local charities through fundraising activities but also through the girls contributing to the work of local organisations/charities. This can take the form of visiting Care Homes, supporting children who ride at the Riding for the Disabled Charity, supporting children at the respite care Charity, Swings and Smiles, and reading in local primary schools. This will either be done through the Duke of Edinburgh Award scheme or through Downe House's own Community Service scheme. Our musicians play annually for the parishioners at St John's Church in Newbury to raise funds for Christian Aid and also House choirs will visit local residential homes to provide entertainment as requested. In 2024, the School ran a Make a Difference Day and welcomed over 200 local children onto the site for an educational activities day provided by staff and girls. There was also a programme of girls' contributing to community projects on that day. These initiatives were led by our newly appointed Director of Partnerships.
Further collaboration with local schools takes place through a growing number of initiatives including our Oxbridge Interview evening or, as mentioned above, by opening up appropriate events and lectures, for example, our Classics Day and our Educational Conferences to students and staff from other schools and welcoming members of the local community to plays, concerts and other appropriate events. Some of our staff also act as Governors at local schools and share their expertise.

Full details of Downe House's community engagement work can be found in the annual Downe House Impact Report on the Downe House website. www.downehouse.net/support-us/impact/

Bursaries

A means tested bursary scheme, in part funded by the Olive Willis Trust Fund, is in operation potentially remitting up to 100% of fees plus extras from which 49 girls benefited at a cost of £1,603,000 (2024: 42 girls benefited at a cost of £1,388,000). The School had 27 pupils on high level bursaries between 75% and 100% plus extras for 2024/2025. For 2025/2026 29 high level bursaries between 75% and 100% of fees plus extras have been awarded.

The Olive Willis Trust Fund principally provides for the advancement of education in connection with the School for the public benefit, in particular, but not limited to, the provision of financial assistance to prospective and current pupils of Downe House School who are in need.

Fundraising

Girls are encouraged to raise money for charities as part of their general education. During the year £31,430 has been raised (2024: £34,367). The wide variety of charities supported includes:

West Berks Foodbank
Charlie Waller Memorial Trust
David Nott Foundation
Guide Dogs for the Blind
Brighter Futures
Pack Safe - Safer Tourism Foundation
Reality Gives
Swings and Smiles
UN Refugee Agency

Report of the Trustees and Strategic Report (continued)

PLANS FOR THE FUTURE

The School intends to:

- Maintain excellent academic standards in the School, be at the forefront of best educational practice and development and prepare students for any appropriate national assessments and public examinations to enable each to succeed according to ability.
- Sustain the highest standards of pastoral care in the School.
- Allow pupils to develop wider interests such as music, sport and Co-Curricular activities to ensure a holistic education.
- Actively demonstrate the full Public Benefit that the School provides, having regard to the general guidance on Public Benefit from the Charity Commission and where possible enhance that benefit.
- Maintain total pupil numbers of approximately 550 across Boarding and Day
- Pursue a financial strategy which enables the aims of the School's Strategic Development Plan to be met.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

Downe House School ("the School") is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association – company registered number 2645228 and charity registration number 1015059, registered in England.

The School is the sole corporate Trustee of the Downe House Trust, a registered charity, number 309091, established by trust deed on 1 January 1944, which owns the land and buildings from which the School operates.

The School owns Downe House School Services Limited, company registered number 2664010, the trading activities of which include lettings of the School facilities and the provision of goods and services to the parents and pupils of Downe House School and third parties, the taxable profits of which are donated to the School.

The School is the ultimate parent of Downe House International (Oman) Limited, company registered number 12332320, registered in England. The trading activities are to pursue the opportunities for opening schools outside the UK, the taxable profits of which are donated to the School.

On 28 November 2006 the existing Trustees of the Olive Willis Trust resigned and Downe House School became the sole corporate Trustee of the Olive Willis Trust. From that date the Olive Willis Trust became a restricted Bursary and Scholarships fund within Downe House School, a linked charity. Under a Charities Commission Scheme dated 31 July 2011 the Olive Willis Trust Bursary and Scholarships fund became an Expendable Endowment Fund (Note 17).

Under the same scheme Downe House School became the sole Trustee of the Downe House Foundation, charity number 1044896. On 5 June 2014 the name of the Foundation was changed to 'Downe House Appeal Fund (2009)' which has no assets and is dormant and now is a linked charity. An application was made to establish a new Downe House Foundation in June 2014. The new Downe House Foundation, charity number 1159259, has a separate board of Trustees and is managed independently of the School.

The report and consolidated financial statements for the year ended 31 August 2025 relate to the total activities of the above legal entities.

Report of the Trustees and Strategic Report (continued)

Related parties

The School's relationship with Downe House School Services Limited, Downe House International (Oman) Limited, Downe House Trust and Downe House Foundation are disclosed above and that with related parties in note 24.

Connected organisation

There is one connected organisation, The Downe House Seniors Association which facilitates communication amongst former pupils of Downe House School who are members of the Downe House Seniors Association.

Induction and training of Trustees

All new Trustees undertake an induction and training day at the School the content of which depends on the individual's knowledge of the School and professional experience. Trustees are encouraged to attend seminars arranged by AGBIS (Association of Governing Bodies of Independent Schools) and other such bodies.

The Trustees, organisational structure and decision making

The Trustees ("the Governing Body") comprise all the directors of the company. Directors are elected at the Annual General Meeting and hold office until the third anniversary of the date of their election when they resign from office but are eligible for re-election up to a total of nine years. The Chair can be elected to serve up to an additional 5 years and the Vice-Chair can be elected to serve up to an additional 3 years.

The Trustees, all of whom served throughout the year to 31 August 2025, except where otherwise disclosed below, are as listed on page 45.

The following Directors were elected at the Annual General Meeting on 4 December 2025:

- Mr J Farrell
- Mr W Chuter

The following Directors were re-elected at the Annual General Meeting on 4 December 2025:

- Ms SK McNair Scott
- Mr TM Boucher
- Nr NJD Woods

The following Directors resigned at the Annual General Meeting on 4 December 2025:

- Mr MK Ridley
- Ms CE Ross
- Mrs VJ Richards (Exelby)

There were the following changes in Directors during the course of the year:

- Ms AF Hazlitt (resigned 14 April 2025)
- Mrs FM Holmes (resigned 29 November 2024)
- Mr MJ Brennan (appointed 29 November 2024)
- Mrs ES Coiley (appointed 29 November 2024)

The strategic direction of the School is set by the Trustees who approve the plans and budgets presented by the Headmistress and management team.

The School takes out Directors' liability insurance with a cover limit of £20 million.

The day to day running of the School is delegated to the Headmistress, the Director of Finance and Operations and the Director of Estates, Property and Services who attend meetings of the committees referred to below as appropriate.

Report of the Trustees and Strategic Report (continued)

To assist the Trustees in their duties the following committees are established:

Education Committee
The members of this Committee meet at least three times a year to submit reports and recommendations to the Board of Trustees on the following matters:

i. To review and to make recommendations to the Governing Body on any aspect of educational policy, provision and practice delegated by the Board in order to support the work of the Headmistress and her staff.

ii. To review any academic department suggested by the Governing Body and to make proposals concerning its curriculum development, staffing and resources.

iii. To investigate any aspect of staffing policy or any particular staffing issue delegated by the Governing Body and make appropriate recommendations.

iv. To review any aspect of pastoral care of students as delegated by the Governing Body and make appropriate recommendations.

v. To propose to the Governing Body the review of any aspect of the School's educational provision which may arise from the Committee's discussions.

vi. To invite the attendance of Heads of Department, or any relevant member of staff, to an agenda item as advised by the Head and when appropriate.

Finance and General Purposes Committee
The members of this Committee meet at least three times per year to submit reports and recommendations to the Board of Trustees on the following matters:

i. To formulate business plans and annual budgets, in accordance with the School's aims and objectives, for consideration by the Board of Trustees and to monitor their execution once approved.

ii. To recommend an annual programme of capital expenditure to the Board of Trustees.

iii. To recommend the level of fees for the forthcoming year to the Board of Trustees.

iv. To determine appropriate financial controls and procedures.

v. To propose policy objectives to the Board of Trustees on:

   a. Charging and fee remissions
   b. Salaries
   c. Bursaries
   d. Contracts
   e. Investments

Estates Sub-Committee
The members of this Sub-Committee meet at least three times per year to submit reports and recommendations to the Board of Trustees and/or the Finance and General Purposes Committee on the following matters:

i. The overall development of the School's buildings and properties.

ii. The planning, design and management of current and future construction projects.

iii. The annual maintenance and improvement programme for the School's buildings, including Health and Safety issues.

Report of the Trustees and Strategic Report (continued)

iv. Any other buildings or property related matters referred to the Sub-Committee by the Board of Governors or the Finance and General Purposes Committee.

The Nominations, Governance and Remuneration Committee
The members of this Committee meet a minimum of once per year, or when convened by the Chair, to consider nominations to the Board and to have oversight of Governance. The Board of Trustees decides on the need for new appointments based on its succession planning and examination of its effectiveness. The Committee considers candidates for approval by the Board based on specifications such as eligibility, specialist skills, personal competence and availability.

Remuneration of Key Management Personnel is set in accordance with the principles of fairness, transparency, and market competitiveness. Key Management Personnel are defined as the Head, Director of Finance Director, Deputy Head and Director of Estates. The remuneration of the Head is reviewed and determined by the Committee, taking into account the need to attract and retain high-quality leadership and with reference to benchmark data from comparable independent schools and publicly available information. The remuneration of other Key Management Personnel is considered jointly by the Head, the Chair of Governors, and the Chair of the Finance and General Purposes Committee. Decisions are made with due regard to individual responsibilities, performance, and the overall financial position of the charity.

Business Development Committee
The members of this Committee meet a minimum of three times per year, or when convened by the Chair, to consider the following matters:

i. Take a lead, from a Governance perspective, on the assessment of material business development opportunities outside the core activity of providing education at Cold Ash.

ii. Ensuring that the Board of Governors remains appropriately informed of potential projects under consideration and their progress. Decision making remains a matter for the Board of Governors, although it may choose to delegate responsibility for execution of a particular project to the Business Development Committee.

Safeguarding and Child Protection
The School is committed to Safeguarding and Protecting all the children in its care. The Designated Safeguarding Lead (DSL) is the Boarding Deputy who is supported by the Deputy Head as Deputy DSL. The Headmistress is also fully trained as a DSL. Staff are trained and updated regularly in Safeguarding and Child Protection matters, as are Governors and all those who would have unsupervised access to pupils. All policies are in place to meet regulatory requirements and give due consideration to West Berkshire Guidance. The appointment of staff, Governors and all other individuals for whom it is necessary, such as contractors and regular taxi drivers, are subject to the appropriate pre-employment checks, for example, Enhanced DBS checks and references.

There are five Board members on the Safeguarding Committee including the current Board Chair. The DSL and Headmistress of the school also sit on the Committee as ex-efficio members.

The committee meets at a minimum termly throughout the academic year to:

i. agree protocols and procedures that reflect a best practice approach to safeguarding in line with the latest government KCSIE guidelines.

ii. ensure clear accountability and training for those across the school community with responsibility for safeguarding.

iii. share learning and casework developments to improve awareness and compliance around safeguarding.

iv. The DSL produces termly reports that are shared with the committee and an abridged version is then shared with the Board.

For details of the members of each of these committees see page 45.

Report of the Trustees and Strategic Report (continued)

Compliance Framework
The School is committed to ensuring that it complies with all relevant legislation. It is regularly inspected and Governors are updated by the Headmistress and the Senior management team on any changes required to meet statutory obligations throughout the School. These updates are provided termly at Board Meetings.

LOCATION OF THE SCHOOL

Downe House School is situated on a site of 110 acres in the village of Cold Ash in Berkshire. Pupils from the ages of 11 to 18 are educated on the site. The School also owns the Chateau de Sauveterre near Toulouse in France. This site was utilised by the school in the first term of the year and welcomed year 7 pupils from a number of prep schools in the Lent and Summer terms. A particular emphasis is placed on the development of the boarding facilities as nearly all pupils board at the School. A limited amount of staff housing is also provided in order to support the strong boarding ethos that exists.

OBJECTIVES AND ACTIVITIES

Objects

The objects of Downe House School are:

- to promote and provide for the advancement of education and in connection therewith to conduct and acquire and carry on any boarding or day school for the education of children.

The objects of Downe House Trust are:

- the provision and conduct at or near Cold Ash, near Newbury, of a day or day and boarding school for girls.

The objects of Downe House Foundation are:

- to advance education by the provision of funding, assistance and support to Downe House School.

The objects of Downe House School Services Limited are:

- to carry on business as a general commercial company.

Aims and intended impact

The School exists to provide girls with, and promote, an excellent holistic education. The School is a boarding and day school for girls from ages 11 to 18. The School aims to promote the development of the individual by enabling girls to strive for the highest academic results of which they are capable. At the same time, they should be able to enjoy the opportunities and support which allow them to develop the personal, social, spiritual and emotional awareness that is the balance to academic excellence and thus prepares them for adult life and work. The financial results facilitate the educational, pastoral and charitable objectives of the School.

Report of the Trustees and Strategic Report (continued)

Policy and objectives for the year

The main policies and objectives for the year were to:

- Maintain excellent academic standards in the School, be at the forefront of best educational practice and development and prepare students for any appropriate national assessments and public examinations to enable each to succeed according to ability.
- Sustain the highest standards of pastoral care in the School.
- Allow pupils to develop wider interests such as music, sport and extra-curricular activities to ensure a holistic education.
- To demonstrate the full Public Benefit that the School provides.
- Maintain total pupil numbers at approximately 550, all of whom will benefit from the full immersive education that is offered.
- Pursue a financial strategy which enables the aims of the School's Strategic Development Plan to be met.

Strategies for achievement of objectives

The School is committed to the recruitment of staff of the highest quality and to their continued training.

The School has appropriate policies in place to ensure that pastoral care is of the highest standard.

Pupils' development of wider interests and the provision of a holistic education is actively encouraged throughout the School.

The School fosters and develops good links with existing parents, prospective parents and feeder schools encouraging them to promote the School. The School is also promoted by actively seeking new areas of recruitment.

Financial objectives and strategy of the School are an integral part of the Strategic Development Plan and are regularly reviewed.

Estate Strategy

A regular review of facilities is undertaken to ensure that they are fit for purpose and will continue to meet the needs of a first-class boarding education for girls and Downe House School's agreed strategic objectives. All stakeholders including pupils, staff, parents, past parents and alumnae have been involved in the formulation of a capital works development programme within the Estate Strategy. This has proved to be very successful and a Centenary Development Plan has been constructed which will lead to improvements in the School's facilities that have been identified as current or future needs. This plan builds on the very successful Ten-Year Plan which included the building of new lower-school boarding houses and the completion of the Murray Centre in 2019. Running alongside the development programme is a schedule of routine works and maintenance. As well as an emphasis on improving boarding and classroom accommodation, the School has also been focusing on developing a robust infrastructure of services to support and sustain current and future needs, for example, to take account of increasing demands of technology and new buildings. It should be noted that ensuring all developments are sustainable and environmentally friendly is a key aim.

Report of the Trustees and Strategic Report (continued)

In line with the Streamlined Energy and Carbon Reporting requirements, the School's annual energy use and emissions were:

	2025	2024
UK Energy use (kWh)	**6,758,772**	7,057,514
Associated Greenhouse Gas emissions (Tonnes CO_2)	**1,234**	1,348
Intensity ratio (Tonnes CO_{2e} per pupil)	**2.28**	2.42
Intensity ratio (Tonnes CO_{2e} per internal m^2)	**0.04**	0.05

The Associated Greenhouse Gas emissions have been calculated in accordance with the UK Government 2024 GHG conversion factors.

During the year the school has improved it's energy efficiency by implementing the following:

- Replacement swimming pool boiler system running with 18% more efficiency
- Replacement of the swimming pool single glazed timber windows with a double-glazed curtain walling system
- Replacement of two domestic gas boilers, upgrading from an E rating to A sustainability rating
- Replacement of three new electric golf buggies for the estates team to continue improving the school's sustainability
- Extension of the lease of two hybrid vehicles for school use
- Continuation of the school's programme to replace all internal lights with LED fittings. 75% of all internal lights have now been changed to LED
- Review and completion of ESOS phase 3 reporting

Grant Making Policy

Bursaries

Applications for Bursaries, including those from the Olive Willis Trust, are considered by the Headmistress and Director of Finance and Operations who make recommendations to the Chair of Governors and the Chair of the Finance and General Purposes Committee. Awards are means-tested on the basis of financial information provided by the applicant. To ensure that no section of society is excluded from the School the maximum level of bursary awards is 100% plus extras. This Bursary policy is advertised in the appropriate media and the School also works with the Royal National Children's SpringBoard Foundation to identify suitable candidates.

Scholarships

Scholarships are awarded by the Headmistress as a result of academic, sporting, musical or dramatic talent and potential evidenced by achievement in the relevant scholarship examinations set by the School. Those gaining Music Scholarships receive tuition for teaching in up to two individual musical instruments.

Public Benefit

Having regard to the general guidance on Public Benefit from the Charity Commission, as set out in section 17 of the Charities Act 2011, the School continues to develop its overall contribution and build partnerships with local schools and organisations, as well as open facilities and events, where possible, to the local community. These developments are in addition to the increased number of means-tested Bursaries.

Report of the Trustees and Strategic Report (continued)

Downe House School Services Limited

Downe House School Services Limited's trading activities include lettings of the School's facilities. The Company's major activities are the Global Academy; the rental of the School in Sauveterre; Summer lets; and the hiring of sports facilities all of which have been successful and contributed significantly to the profits donated to its parent undertaking the details of which are provided in note 2.

Downe House International (Oman) Limited

Downe House International (Oman) Limited receives fees for licensed products and services for Downe House Riyadh and Downe House Muscat, the first overseas schools to be opened by its partner in September 2022. The profits are donated to Downe House School as detailed in note 2.

Downe House Trust

Downe House Trust provides the 110 acre site and properties used by Downe House School.

Downe House Foundation

Downe House Foundation, charity number 1159259, was established in June 2014. Downe House Foundation is managed independently of the School, has a separate board of Trustees and raises funds for educational building projects at Downe House School. All major fundraising is undertaken by the Downe House Foundation.

Investment Performance

Investment performance is reviewed regularly and investments have performed adequately in the year and in line with set performance.

Leadership team and staff

The Trustees would like to take this opportunity to recognise the hard work and dedication of the Headmistress, leadership team and the teaching, pastoral, operational and support staff of the School during the year.

Employment Policies

Downe House School is committed to recruiting and retaining the highest quality members of staff. To that end it ensures that staff are well rewarded through competitive salary packages and opportunities for career development. Our salary package and terms and conditions are kept under review by the Director of HR and the Director of Finance and Operations. Opportunities for In-service training (Inset) are provided to all staff and applications for day courses and extended Inset can be made to improve their skills and qualifications. Such applications are reviewed by the Deputy Head, or appropriate line-manager, and assessed against the needs of the School's Strategic Development Plan, the House or Departmental Development Plans and the individual's own performance review. In addition, regular whole-staff and departmental training is provided by the School at the start of each term and regularly throughout the term. The Performance Review System is comprehensive and applies to all staff. It has recently been streamlined and computerised so that it is more effective, efficient and ensures that staff are provided with feedback on all aspects of their role. 360-degree performance reviews are currently in the second year of trial at Leadership Team level.

The School regularly provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the School is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the School plays a major role in maintaining the success of the School. The School encourages the involvement of employees by means of regular departmental meetings, working

Report of the Trustees and Strategic Report (continued)

parties, as well as whole-staff meetings. The School is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of gender, race, ethnicity, disability, sexual orientation, age or marital status and gives full and fair consideration to applications for employment.

FINANCIAL REVIEW

Investment Powers and Policy

The School has the powers to invest and to delegate these powers to professional investment managers. Those investments which represent the composition of fees fund are held in gilts to facilitate parents who wish to make advanced fee payments. Investments representing the Olive Willis Bursary and Scholarship fund are held primarily in equity-based managed funds to generate capital growth to expand the fund and finance future bursary provision. In order to safeguard assets arising from donations, the assets of the Foundation are held as cash balances. It is considered inappropriate to expose such assets to possible investment risks and losses.

Reserves Policy

The School's tangible assets are all held for use in the School. Note 16 to the financial statements sets out an analysis of the assets attributable to the various funds which constitute the group. These assets are sufficient to meet the group's obligations on a fund by fund basis.

As described in note 16, the Group's reserves are fully represented by investments, tangible fixed assets and associated liabilities. There are no unrestricted liquid funds beyond these assets and related commitments. The Trustees regularly assess the adequacy and liquidity of reserves to ensure that the School can meet its short-term operational needs, as well as its longer-term strategic and financial commitments. The Trustees consider the current level and liquidity of reserves to be appropriate for the ongoing needs of the School. This policy is reviewed at least annually.

Funds summary at 31 August (Note 17):
Total funds held £27.7m (2024: £26.9m)
Restricted funds £2.3m (2024: £2.0m)
Endowed funds £1.6m (2024: £1.6m)

Financial Results

The results are shown in the financial statements and notes thereto on pages 20 to 44. Fee income, net of bursaries and scholarships was £26.6m (2024 restated: £26.1m). Total resources expended have increased from £28.0m (restated) to £29.0m. Net income before gains on investments amounted to £658,000 net income (2024: £37,000 net expense). There has been an increase in the Group's net cash position from £3.0m to £8.1m (note 22).

The activities of Downe House School Services Limited (Note 2), Downe House International (Oman) Limited (Note 2), Downe House Trust (Note 21) and Downe House Foundation (Note 21) contributed significantly to the Consolidated Financial Results.

Principal Key Performance Indicators (KPIs)

The School regularly reviews its performance against an agreed set of KPIs. These include educational (academic and pastoral), financial, operational, marketing and admissions targets, recruitment and retention of staff, as well as targets related to the development and management of the estate and support functions. These targets are reviewed annually by the Board and more regularly by the School's Leadership Team.

Changes in Tangible Assets

The movements in tangible assets during the year are set out in note 9 to the financial statements.

Report of the Trustees and Strategic Report (continued)

Principal Risks and Uncertainties.

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice "Accounting and Reporting by Charities" (second edition), the Trustees have examined the major risks faced by the School and the group. A system of controls has been put in place to monitor and mitigate, where possible, the major risks identified and their impact on the School. Risks are identified and assessed via a risk matrix, mitigation measures and controls. A formal review of the School's risk management process is undertaken on a termly basis.

The school faces a range of risks and uncertainties that could significantly impact its future operations. The imposition of VAT on school fees presents a financial risk to both the school and its parents. The application of VAT has led to increased costs for families, potentially affecting future enrolment levels. While these uncertainties pose potential challenges, the school remains focused on mitigating their impact through diversification of income streams, strategic cost planning and engagement with the School community.

Further key risk areas considered:

- A material reduction in pupil numbers.
- Pastoral Care and Education of Pupils.
- Governance & Management.
- Material changes in the regulatory environment.
- Health & Safety.
- The operational gearing of the School, in particular the significant level of fixed costs.

Areas of High Risk

The Key Risks to the School are recorded in a Corporate Governance Risk Assessment Document that is reviewed by the Board of Governors and the Leadership Team annually. Areas of medium and high risk have been identified and strategies for mitigating these put in place. Areas of high risk relate to factors outside the School's immediate control such as an economic downturn or demographic changes and in each case mitigating actions are in place to reduce the potential impact of the risk.

Price and cost risk

The School reviews its fees charged to parents on an annual basis. The fees charged are based on the principles of full cost recovery. These fees are factored into the School's plans and income forecasts. Salary levels are set by reference to prevailing market rates in the Education sector and are communicated to staff each year during the annual salary review process. Other costs are controlled by contract negotiations and competitive tendering with suppliers.

Credit risk

Risk on amounts owed to the School by parents is low, as the fees are due at the start of each term, non-payment is followed up early in each term and some fees are paid in advance.

Liquidity risk

The School has no long term borrowings, the £5 million revolving credit facility was put in place in April 2024 (Note 13).

Interest rate cash flow risk

The School places surplus funds on short term deposit with its bankers. This is deemed to be low risk. The interest rate risk from the short term overdraft facility has been considered and is deemed to be low.

Report of the Trustees and Strategic Report (continued)

Statement of Trustees' responsibilities

The Trustees (who are also directors of Downe House School for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on disclosure of information to the auditors

So far as the Trustees are aware:

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

Independent Auditors

The auditors, HaysMac LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

Report of the Trustees including the Strategic Report signed on behalf of the Board of Trustees on 4 December 2025.

Tim Boucher

TM Boucher
Trustee/Director

Independent auditor's report to the members of Downe House School

Opinion

We have audited the financial statements of Downe House School for the year end 31 August 2025 which comprise the Consolidated Statement of Financial Activities incorporating the Income and Expenditure Account, the Consolidated and School Balance Sheets, the Consolidated Cash Flow Statement, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as of 31 August 2025 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of Downe House School (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees and Strategic Report (which includes the directors' report prepared for the purposes of company law).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report to the members of Downe House School (continued)

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) Regulation 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as payroll tax and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to improper recognition of revenue and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Tracey Young (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

11/12/2025

Consolidated statement of financial activities incorporating the income and expenditure account for the year ended 31 August 2025

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	**Total 2025 £'000**	Restated Total 2024 £'000
Income and endowments from:						
Charitable activities						
School activities	3	26,832	-	-	**26,832**	26,121
Other trading activities						
Trading income	2	1,325	-	-	**1,325**	1,249
Premises hire		97			**97**	69
Other income		47	-	-	**47**	-
Investments						
Investment income		181	-	19	**200**	50
Bank and other interest		164	-	-	**164**	-
Other income						
Profit on disposal of fixed assets		3	-	-	**3**	-
Donations and legacies		118	859	-	**977**	515
Total Income		28,767	859	19	**29,645**	28,004
Expenditure on:						
Charitable activities						
School activities		(27,715)	(508)	(65)	**(28,288)**	(27,459)
Cost of finance	7	(142)	-	-	**(142)**	(104)
Raising funds						
Trading expenditure		(366)	-	-	**(366)**	(285)
Fundraising costs		(191)	-	-	**(191)**	(193)
Total expenditure	5	(28,414)	(508)	(65)	**(28,987)**	(28,041)
Net income/(expenditure) before gains on investments		353	351	(46)	**658**	(37)
Net gains on investments		97	-	90	**187**	165
Net income before transfers	4	450	351	44	**845**	128
Transfers between funds	17	24	(24)	-	**-**	-
Net movement in funds		474	327	44	**845**	128
Total funds brought forward	17	23,271	2,014	1,565	**26,850**	26,722
Total funds carried forward	17	23,745	2,341	1,609	**27,695**	26,850

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the consolidated statement of financial activities. Included within total funds is an investment revaluation reserve of £632,000 (2024: £445,000) for the consolidated balance sheet.

Consolidated and School balance sheets as at 31 August 2025

	Notes	Consolidated		School	
		2025	2024	**2025**	2024
		£'000	£'000	**£'000**	£'000
Fixed assets					
Tangible assets	9	**28,400**	29,844	**2,273**	2,592
Investments	10	**1,501**	1,535	**1,501**	1,535
		29,901	31,379	**3,774**	4,127
Current assets					
Stocks	11	**39**	39	**32**	39
Debtors	12	**5,522**	5,861	**35,926**	34,313
Investments	10	**5,815**	9,424	**5,804**	9,413
Cash at bank and in hand		**8,120**	2,973	**6,007**	692
		19,496	18,297	**47,769**	44,457
Creditors: amounts falling due within one year	13	**(16,149)**	(14,417)	**(29,742)**	(26,626)
Net current assets		**3,347**	3,880	**18,027**	17,831
Total assets less current liabilities		**33,248**	35,259	**21,801**	21,958
Creditors: amounts falling due after more than one year					
Advance fees	14	**(3,468)**	(6,655)	**(3,468)**	(6,655)
Final term deposits	15	**(1,618)**	(1,534)	**(1,618)**	(1,534)
		(5,086)	(8,189)	**(5,086)**	(8,189)
Pension deficit	20	**(467)**	(220)	**(467)**	(220)
Net assets		**27,695**	26,850	**16,248**	13,549
Represented by:					
Endowed funds	17	**1,609**	1,565	**1,609**	1,565
Restricted funds	17	**2,341**	2,014	**1,115**	739
Unrestricted funds					
Designated	17	**478**	200	**478**	200
Retained income	17	**23,267**	23,071	**13,046**	11,045
Non-charitable trading funds	17	**-**	-	**-**	-
Total Unrestricted funds		**23,745**	23,271	**13,524**	11,245
Total funds		**27,695**	26,850	**16,248**	13,549

The financial statements on pages 20 to 44 were approved by the Trustees on 4 December 2025 and signed on their behalf by:

Tim Boucher

TM Boucher
Trustee/Director

Consolidated cash flow statement for the year ended 31 August 2025

	Notes	2025 £'000	2024 £'000
Net cash inflow from operating activities	(i)	**2,028**	9,767
Cash flows from investing activities			
Investment income		**200**	50
Interest received		**164**	-
Purchase of tangible fixed assets		**(936)**	(1,681)
Receipts from sale of fixed assets		**3**	-
Purchase of investments		**(1,059)**	(9,234)
Receipts from sale of investments		**4,889**	672
Net cash inflow/(outflow) from investing activities		**3,261**	**(10,193)**
Net cash inflow/(outflow) before financing		**5,289**	(426)
Interest paid		**(142)**	(104)
Repayment of loan		**-**	(2,000)
Net cash outflow from financing activities		**(142)**	**(2,104)**
Increase/(decrease) in cash in the year	22	**5,147**	(2,530)
Cash and cash equivalents at start of year		**2,973**	5,503
Cash and cash equivalents at end of year		**8,120**	2,973

(i) Reconciliation of net income to net cash inflow from operating activities

	2025 £'000	2024 £'000
Net income before transfers	**845**	128
Depreciation charges	**1,565**	1,577
Gain on disposal of fixed assets	**(3)**	-
Gains on investments	**(187)**	(165)
Interest paid	**142**	104
Interest received	**(164)**	-
Investment income	**(200)**	(50)
Decrease/(increase) in debtors	**1,154**	(2,729)
increase in creditors	**2,868**	246
(Decrease)/increase in advance fees	**(3,992)**	10,656
Net cash inflow from operating activities	**2,028**	**9,767**

Notes to the financial statements for the year ended 31 August 2025

1. Principal accounting policies

Downe House School ("the School") is a charitable company limited by guarantee and a UK registered charity governed by its Memorandum and Articles of Association – company registered number 2645228 and charity registration number 1015059. The School is a public benefit entity. The address of its registered office is Downe House School, Hermitage Road, Cold Ash, Thatcham, Berkshire, RG18 9JJ.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom including Financial Reporting Standard 102 (FRS 102), Companies Act 2006 and the Charities Act 2011. In preparing the financial statements the School has followed best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS 102)" (second edition). A summary of the more important accounting policies of the School, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared on a going concern and accruals basis under the historical cost convention modified by the revaluation of fixed and current asset investments. The groups functional and presentational currency is £ sterling.

The prior year income and expenditure have been restated to reflect the grossing up of income and costs relating to rechargeable activities, previously reported net in income. This has increased the income from school activities by £1,213,000, teaching staff costs by £875,000, and other teaching costs by £338,000.

Basis of consolidation

The financial statements of the School and its subsidiary undertakings (together "the group") include the consolidated financial statements of Downe House School, Downe House School Services Limited, Downe House Trust, Downe House Foundation and Downe House International (Oman) Limited to 31 August each year.

The School has taken advantage of the exemption from publishing its own Income and Expenditure account conferred by s408 of the Companies Act 2006. The amount of the surplus or deficit for the year dealt with in the School's financial statements is disclosed in note 17.

Going Concern

The Trustees have reasonable expectation that the group has adequate resources to continue its activities for the foreseeable future based on cash flow forecasts to December 2026, including the impacts of the changes introduced by the new Government, and any plausible downside scenarios. A Revolving Credit facility was put in place in 2024, and the previous loan of £2.0m was repaid in full. The credit facility has financial covenants which are all expected to be met based on all of these scenarios. As such, the Trustees expect that the group will continue to meet applicable financial covenants until December 2026 and that the group will be able to meet its debt repayment obligations as they fall due. Accordingly, the Trustees consider that there are no material uncertainties over the group's financial viability and thus continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 16.

Notes to the financial statements for the year ended 31 August 2025 (continued)

1. Principal accounting policies (continued)

Fees and similar income

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 allowances, scholarships and other remissions granted by the School.

Fees received in advance of education to be provided in future years under the Advance Fees scheme are held as liabilities until they are either taken to income in the term when utilised or refunded. Any residual balance is transferred to a designated Advance Fees fund once all future fee liabilities have been met.

Donations

All donations are shown in the consolidated statement of financial activities under incoming resources and are accounted for on a receivable basis.

Gains on disposal of fixed assets

On disposal of tangible fixed assets, the profit or loss on disposal is accounted for as the difference between the net sale proceeds and the net carrying amount of the tangible fixed asset. The profit or loss on disposal of tangible fixed assets is recognised in the Statement of Financial Activities for the year in which the disposal occurs.

Trading Income

Turnover represents amounts receivable for goods and services provided, net of VAT and trade discounts. Lettings income and other sundry income is recognised at the time the activity takes place.

Irrecoverable VAT

Any irrecoverable VAT is charged to the consolidated statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Overhead and other costs not directly attributable to particular functional categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to the level of costs in the functional categories.

Expenditure on raising funds includes the total costs attributable to each category from the subsidiary's trading activities and the fundraising costs which are incurred in securing income for the appeal fund.

Governance costs comprise the costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings, external audit and any legal advice for the Trustees.

Notes to the financial statements for the year ended 31 August 2025 (continued)

1. Principal accounting policies (continued)

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events and the payment is considered probable.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are unrestricted funds earmarked by the Trustees for specific projects.

Restricted funds are subject to specific conditions imposed by the donors.

Endowed funds are expendable capital funds where there is power to convert capital into income. Income from endowed funds is added to the relevant endowed fund.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation, at rates calculated to write off the cost, less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose are:

Equipment and furnishings	12.5%	- straight line
Computer equipment	20%	- straight line
Motor vehicles	25%	- straight line

Freehold land and buildings held on trust are included at cost incurred prior to completion. Land is not depreciated. Buildings are depreciated at rates calculated to write off the cost less their estimated residual values on a straight line basis over the expected useful economic life of each building. The range of annual rates used for this purpose is between 10 and 50 years. Assets with a cost below £1,000 are not capitalised.

Fixed and current asset investments and investment income

Investments, representing quoted securities, are stated in the balance sheet at market value. Any gain or loss on the revaluation of investments is shown on the consolidated statement of financial activities. Investment income is accounted for in the period in which the School and the group is entitled to the income.

Stocks

Stocks of clothing, stationery and consumables are stated at the lower of cost, on a first-in, first-out basis, and net realisable value.

Registration fees

Registration fees placed for prospective pupils are non-refundable and are credited to fees income when received.

Final term deposits

Final term deposits are deposits placed when pupils join the School which are offset against fees and disbursements due for the last term each pupil attends. All deposits are classified as creditors.

Notes to the financial statements for the year ended 31 August 2025 (continued)

1. Principal accounting policies (continued)

Pension costs

- The Teachers' Pension Scheme (TPS) – This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the TPS on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

- The Independent Schools' Pension Scheme – The plan is a multi-employer scheme, partly defined contribution and partly with defined benefits. It is not possible to identify the School's share of the underlying assets and liabilities and therefore, as required by FRS102, the School accounts for the scheme as if it were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions paid towards benefits and expenses accrued in that year, plus any impact of the deific contributions. Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability.

- In addition, the School pays contributions to the Downe House Staff Pension Schemes, which are defined contribution pension schemes arranged on behalf of individual employees at an agreed percentage of gross salary. The assets of the pension schemes are held separately to those of the School. Contributions payable to the schemes are charged in the statement of financial activities as they fall due as part of the employment costs.

Grants and allowances

Grants and allowances from restricted and unrestricted funds are included as expenditure in the period for which the award is given.

Concessionary Loans

Loans due from the subsidiary, Downe House Trust (note 12) are made to further the charitable purposes of the Group, are repayable on demand and treated as concessionary loans.

Critical estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors including expectations of future events that are believed to be reasonable in the circumstances. The Trustees believe that no critical judgements have been made that affect the financial statements.

Notes to the financial statements for the year ended 31 August 2025 (continued)

2. Trading income

The School owns Downe House School Services Limited, whose trading activities include lettings of the School facilities and the provision of goods and services to the parents and pupils of Downe House School and third parties. It donates its taxable profits to the School. Its results for the year to 31 August 2025 were:

	2025 £'000	2024 £'000
Turnover	**1,040**	960
Cost of sales	**(324)**	(225)
Gross profit	**716**	735
Administration expenses	**(6)**	(7)
Donation to other registered charities	**(5)**	(8)
Profit on ordinary activities before taxation	**705**	720
Tax on profit on ordinary activities	**-**	-
Profit for the financial year	**705**	720
Donation to Downe House School	**705**	720

Cost of sales include £97,000 (2024: £69,000) for accommodation services provided by the School.

	2025 £'000	2024 £'000
Total assets	**992**	932
Total liabilities	**(992)**	(932)
Net assets	**-**	-

The School owns Downe House International (Oman) Limited, whose trading activities include income from licensed products and services from local partners operating Downe House Riyadh and Downe House Muscat. It donates its taxable profits to the School. Its results for the year to 31 August were:

	2025 £'000	2024 £'000
Turnover	**284**	269
Cost of sales	**(20)**	(20)
Gross profit	**264**	249
Administration expenses	**(11)**	(26)
Profit on ordinary activities before taxation	**253**	223
Tax on profit on ordinary activities	**-**	-
Profit for the financial year	**253**	223
Donation to Downe House School	**253**	223

Notes to the financial statements for the year ended 31 August 2025 (continued)

2. Trading income (continued)

	2025 £'000	2024 £'000
Total assets	**279**	269
Total liabilities	**(279)**	(269)
Net assets	**-**	-

Downe House International (Oman) Limited is exempt from the requirements relating to the audit of accounts under section 479A of the Companies Act 2006.

3. Incoming resources from school activities

	2025 £'000	Restated 2024 £'000
Gross fees receivable	**26,702**	26,189
Bursaries, grants and scholarships	**(1,644)**	(1,425)
Net fee income	**25,058**	24,764
Registration fees	**209**	169
Recharged activities	**1,340**	1,188
	26,607	26,121
Add back: Bursaries funded by restricted and endowed funds	**225**	-
	26,832	26,121

4. Net income before transfers

	2025 £'000	Restated 2024 £'000
Net income before transfers is stated after charging:		
Depreciation on owned assets	**1,565**	1,577
Operating leases	**89**	69
Auditors' remuneration, including VAT		
- for audit services (School: £45,000 (2024: £60,000))	**60**	85
- Other assurance services	**18**	33
- Tax compliance services	**4**	11
Staff costs		
Wages and salaries	**13,961**	13,935
Social security costs	**2,020**	1,866
Pension contributions	**2,251**	2,117
Increase ISPS deficit repayment agreement	**268**	-
	18,500	17,918

During the year there were redundancy or termination payments of £43,000 (2024: £123,000).
The average number of employees in the year in total was 466 (2024: 483) of which 295 (2024: 316) were teaching staff. Calculated on a full-time equivalent basis, the average number of employees in the year was 318 (2024: 323) of which 135 (2024: 143) were teaching staff.

Notes to the financial statements for the year ended 31 August 2025 (continued)

4. Net income before transfers (continued)

The number of employees whose emoluments exceeded £60,000 were:

	2025 Number	2024 Number
£60,001 - £70,000	**26**	26
£70,001 - £80,000	**11**	10
£80,001 - £90,000	**3**	3
£90,001 - £100,000	**3**	2
£100,001 - £110,000	**1**	1
£110,001 - £120,000	**2**	2
£280,001 - £290,000	**-**	1
£290,001 - £300,000	**1**	-

9 of the employees above (2024: 19) have pension benefits accruing under defined benefit schemes and 38 (2024: 26) have pension benefits accruing under a defined contribution scheme.

Total emoluments for key management personnel during the year were £631,000 (2024 £613,000). With the exception of reimbursed expenses shown in note 19 and related party transactions in note 24, neither the Trustees nor persons connected with them received any remuneration or other benefits from the School or any connected organisation.

5. Analysis of total expenditure

	Staff costs £'000	Depreciation £'000	Other £'000	**Total 2025 £'000**
Expenditure on school activities				
Teaching	10,738	249	2,385	**13,372**
Welfare	4,334	122	1,706	**6,162**
Premises	901	1,131	2,676	**4,708**
Support costs for schooling	2,376	63	1,482	**3,921**
Bursaries	-	-	225	**225**
Governance costs	-	-	42	**42**
	18,349	**1,565**	**8,516**	**28,430**
Expenditure on raising funds				
Trading expenditure	42	-	315	**357**
Governance costs	-	-	13	**13**
Fundraising costs	109	-	78	**187**
	151	**-**	**406**	**557**
Total expenditure	**18,500**	**1,565**	**8,922**	**28,987**

The bursaries above have been funded from restricted funds (£200,000) and endowed funds (£25,000).

Notes to the financial statements for the year ended 31 August 2025 (continued)

5. Analysis of total expenditure (continued)

	Staff costs £'000	Depreciation £'000	Other £'000	Restated Total 2024 £'000
Expenditure on school activities				
Teaching	10,631	278	2,342	13,251
Welfare	4,299	136	2,023	6,458
Premises	867	1,092	2,238	4,197
Support costs for schooling	1,976	71	1,524	3,571
Governance Costs	-	-	86	86
	17,773	1,577	8,213	27,563
Expenditure on raising funds				
Trading expenditure	-	-	275	275
Governance costs	-	-	10	10
Generating voluntary income	145	-	48	193
	145	-	333	478
Total expenditure	17,918	1,577	8,546	28,041

6. Governance costs

	2025 £'000	2024 £'000
Audit	**50**	85
Other	**5**	11
	55	96

7. Cost of finance

	2025 £'000	2024 £'000
On bank loan and borrowing facilities	**12**	104
Unwind of discount on pension liability	**10**	-
Discount on fees in advance scheme	**120**	-
	142	104

8. Taxation

The School and its subsidiary undertakings, Downe House Trust and Downe House Foundation were registered charities throughout the year and, as such, were not liable to corporation tax on the surplus of income over expenditure for the year, nor to capital taxes on gains arising from the disposal of assets.

Notes to the financial statements for the year ended 31 August 2025 (continued)

8. Taxation (continued)

From 1 December 2024 the School and its subsidiaries, Downe House Trust, Downe House School Services Limited, and Downe House International (Oman) Limited became registered for VAT as a Group. Accordingly, from this date, all their expenditure is recorded net of recoverable VAT.

Downe House Foundation was not registered for VAT during the financial year and accordingly, expenditure is recorded inclusive of any VAT incurred.

Downe House School Services Limited and Downe House International (Oman) Limited gift all their profits to the School.

9. Tangible assets

(a) Consolidated

	Freehold land & buildings £'000	Equipment & furnishings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
As at 1 September 2024	41,771	10,027	3,438	303	**55,539**
Additions	582	202	112	40	**936**
Disposals	-	-	-	(35)	**(35)**
Adjustments	(630)	(82)	(97)	(6)	**(815)**
Write-off	-	(20)	-	(53)	**(73)**
As at 31 August 2025	**41,723**	**10,127**	**3,453**	**249**	**55,552**
Accumulated depreciation					
As at 1 September 2024	13,582	9,125	2,733	255	**25,695**
Disposals	-	-	-	(35)	**(35)**
Charge for year	1,098	217	226	24	**1,565**
Write-off	-	(20)	-	(53)	**(73)**
As at 31 August 2025	**14,680**	**9,322**	**2,959**	**191**	**27,152**
Net book value					
As at 31 August 2025	**27,043**	**805**	**494**	**58**	**28,400**
As at 31 August 2024	28,189	902	705	48	29,844

Included within freehold land and buildings is land at a cost of £92,473 (2024: £92,473) which is not depreciated. The Trustees' assessment is that Freehold land & buildings rented by Downe House Trust to Downe House School are being held for the provision of social benefit within the public benefit group and as such have been treated as fixed assets.

At 31st August 2025 the group had committed to spend £Nil on its capital projects in the coming year (2024: £Nil).

Notes to the financial statements for the year ended 31 August 2025 (continued)

9. Tangible assets (continued)

(b) School

	Freehold land & buildings £'000	Equipment & furnishings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
As at 1 September 2024	996	9,893	3,438	303	**14,630**
Additions	-	202	112	40	**354**
Disposals	-	-	-	(35)	**(35)**
Adjustments	-	(82)	(97)	(6)	**(185)**
Write-off	-	-	-	(53)	**(53)**
As at 31 August 2025	**996**	**10,013**	**3,453**	**249**	**14,711**
Accumulated depreciation					
As at 1 September 2024	59	8,991	2,733	255	**12,038**
Disposals	-	-	-	(35)	**(35)**
Charge for year	21	217	226	24	**488**
Write-off	-	-	-	(53)	**(53)**
As at 31 August 2025	**80**	**9,208**	**2,959**	**191**	**12,438**
Net book value					
As at 31 August 2025	**916**	**805**	**494**	**58**	**2,273**
As at 31 August 2024	937	902	705	48	2,592

10. Investments

(a) Consolidated

	Restricted: Appeal Fund Building projects £'000	Expendable Endowment: Bursary and scholarships Fund £'000	Designated: Advance fees £'000	Total £'000
As at 1 September 2024	11	1,565	9,383	**10,959**
Additions	-	470	589	**1,059**
Disposals at opening market value/cost	-	(510)	(4,373)	**(4,883)**
Revaluations	-	84	97	**181**
As at 31 August 2025	**11**	**1,609**	**5,696**	**7,316**
Listed securities	-	1,501	-	**1,501**
Cash, gilts and short term deposits	11	108	5,696	**5,815**
As at 31 August 2025	**11**	**1,609**	**5,696**	**7,316**
Historical cost				
As at 31 August 2025	**11**	**1,292**	**5,563**	**6,866**
As at 31 August 2024	11	1,266	9,316	10,593

Notes to the financial statements for the year ended 31 August 2025 (continued)

10. Investments (continued)

(a) Consolidated (continued)

	Restricted: Appeal Fund Building projects £'000	Expendable Endowment: Bursary and scholarships Fund £'000	Designated: Advance fees £'000	Total £'000
Movement on gains				
Unrealised gains at 1 September 2024	-	407	38	445
Less: Disposals in the year	-	6	-	**6**
	-	413	38	**451**
Revaluations in year	-	84	97	**181**
As at 31 August 2025	**-**	**497**	**135**	**632**

The investments are included in the consolidated balance sheet as follows:

	2025 £'000	2024 £'000
Fixed asset investments	**1,501**	1,535
Current asset investments	**5,815**	9,424
	7,316	10,959

There are no individually material investment holdings.

(b) School

	Expendable Endowment: Bursary and scholarships Fund £'000	Designated: Advance fees £'000	Total £'000
As at 1 September 2024	1,565	9,383	10,948
Additions	470	589	**1,059**
Disposals at opening market value/cost	(510)	(4,373)	**(4,883)**
Revaluations	84	97	**181**
As at 31 August 2025	**1,609**	**5,696**	**7,305**
Listed securities	1,501	-	**1,501**
Cash, gilts and short term deposits	108	5,696	**5,804**
As at 31 August 2025	**1,609**	**5,696**	**7,305**
Historical cost			
As at 31 August 2025	**1,292**	**5,563**	**6,855**
As at 31 August 2024	1,266	9,316	10,582
Movement on gains			
Unrealised gains at 1 September 2024	407	38	445
Less: Disposals in the year	6	-	**6**
	413	38	**451**
Revaluations in year	84	97	**181**
As at 31 August 2025	**497**	**135**	**632**

Notes to the financial statements for the year ended 31 August 2025 (continued)

10. Investments (continued)

The investments are included in the School balance sheet as follows:

	2025 **£'000**	2024 £'000
Fixed asset investments	**1,501**	1,535
Current asset investments	**5,804**	9,413
	7,305	10,948

There are no individually material investment holdings.

11. Stocks

	Consolidated		School	
	2025 **£**	2024 £	**2025** **£**	2024 £
Stationery and consumables	**39**	39	**32**	39

There is no significant difference between the replacement cost of stocks and the value stated.

12. Debtors

	Consolidated		School	
	2025 **£**	2024 £	**2025** **£**	2024 £
Fees	**3,613**	4,730	**3,613**	4,730
Sundry debtors and prepayments	**1,282**	1,131	**996**	493
Capital goods scheme debtor	**627**	-	**627**	-
Amounts owed by group undertakings (see below)	**-**	-	**30,690**	29,090
	5,522	5,861	**35,926**	34,313

Fees invoiced in advance are shown within creditors (note 13) and amounts not received by the balance sheet date shown above as fee debtors.

	Consolidated		School	
	2025 **£**	2024 £	**2025** **£**	2024 £
Amounts owed by group undertakings: (see above)				
Due within one year	**-**	-	**28,824**	27,224
Loan due after more than one year	**-**	-	**1,866**	1,866
	-	-	**30,690**	29,090

Interest is payable from the subsidiary, Downe House Trust, on the amount due within one year at the rate of 1% over bank base rate. Interest is payable from the subsidiary, Downe House Trust, on loan advances due after more than one year in excess of £866,000 at the rate of 1% over bank base rate. No interest is paid on the remaining loan advances due after more than one year of £866,000.

Amounts due from subsidiary undertakings are unsecured, payable on demand and have been treated as a concessionary Loan.

Notes to the financial statements for the year ended 31 August 2025 (continued)

13. Creditors: amounts falling due within one year

	Consolidated		School	
	2025	2024	**2025**	2024
	£	£	**£**	£
Trade creditors	**896**	56	**896**	56
Concessionary loans due to subsidiary undertakings	**-**	-	**13,671**	12,379
Amounts owed to group undertakings	**-**	-	**35**	43
Taxation and social security	**1,783**	20	**1,777**	-
Other creditors and accruals	**1,274**	1,030	**1,167**	837
Refundable deposits	**259**	172	**259**	172
Michaelmas Term fees invoiced in advance	**8,101**	8,498	**8,101**	8,498
	12,313	9,776	**25,906**	21,985
Advance fees (note 14)	**3,836**	4,641	**3,836**	4,641
	16,149	14,417	**29,742**	26,626

The School had a bank facility of £2.5m which commenced in July 2021 with interest payable at 1.45% over base rate per annum which expired on 31 July 2024. £2.0m of this was drawn down at 31 August 2023. This was repaid in full in June 2024. In April 2024 a new revolving credit facility of £5.0m was put in place with interest payable on amounts borrowed at 2.0% above base rate. This facility is secured by a guarantee of £6.0m given by Downe House Trust. Downe House Trust has given a legal charge over each of the freehold properties of the Trust.

No interest is payable to the subsidiary, Downe House Trust, on the amount due within one year. This amount is treated as a concessionary loan is unsecured, interest free and repayable on demand.

14. Advance fees

Parents may pay to the School up to the equivalent of seven years' tuition fees in advance which is held in a balance of Treasury Stocks and cash deposits as appropriate. Such payments may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming pupils remain in the advance fees payment scheme, payments will be applied to offset fees as follows:

	2025	2024
	£'000	£'000
Consolidated and School		
After 5 years	**220**	628
Within 2 to 5 years	**1,727**	2,905
Within 1 to 2 years	**1,521**	3,122
	3,468	6,655
Within 1 year (note 13)	**3,836**	4,641
	7,304	11,296

Notes to the financial statements for the year ended 31 August 2025 (continued)

14. Advance fees (continued)

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

	2025 £'000	2024 £'000
As at 1 September	11,296	640
New contracts	**2,137**	12,385
Amounts utilised in payment of fees	**(6,249)**	(1,729)
Amounts accrued to contract	**120**	-
As at 31 August	**7,304**	11,296

15. Final term deposits

	Consolidated		School	
	2025 £	2024 £	**2025 £**	2024 £
Due between 1 and 2 years	**144**	206	**144**	206
Due in greater than 2 years	**1,474**	1,328	**1,474**	1,328
	1,618	1,534	**1,618**	1,534

16. Analysis of net assets between funds

(a) Consolidated

The net assets are held for the various funds as follows:

	Tangible fixed assets £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	**2025 Total £'000**
Endowed funds	-	1,609	-	-	**1,609**
Restricted funds	1,330	11	1,000	-	**2,341**
Unrestricted funds	27,070	5,696	(3,468)	(5,553)	**23,745**
	28,400	**7,316**	**(2,468)**	**(5,553)**	**27,695**

	Tangible fixed assets £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	2024 Total £'000
Endowed funds	-	1,565	-	-	1,565
Restricted funds	1,525	11	478	-	2,014
Unrestricted funds	28,319	9,383	(6,022)	(8,409)	23,271
	29,844	10,959	(5,544)	(8,409)	26,850

Notes to the financial statements for the year ended 31 August 2025 (continued)

16. Analysis of net assets between funds (continued)

(b) School

The net assets are held for the various funds as follows:

	Tangible fixed assets £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	**2025 Total £'000**
Endowed funds	-	1,609	-	-	**1,609**
Restricted funds	715	-	400	-	**1,115**
Unrestricted funds	1,558	5,696	11,823	(5,553)	**13,524**
	2,273	**7,305**	**12,223**	**(5,553)**	**16,248**

	Tangible fixed assets £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	2024 Total £'000
Endowed funds	-	1,565	-	-	1,565
Restricted funds	739	-	-	-	739
Unrestricted funds	1,853	9,383	8,418	(8,409)	11,245
	2,592	10,948	8,418	(8,409)	13,549

17. Funds

(a) Consolidated

	Total 1 September 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment gain £'000	**Total 31 August 2025 £'000**
Endowed funds (expendable)						
Olive Willis Bursary and Scholarships fund	1,565	19	(65)	-	90	1,609
Restricted funds						
Bursary	-	600	(200)	-	-	400
Appeal funds (building projects)	1,215	-	(52)	(24)	-	1,139
Foundation	799	259	(256)	-	-	802
	2,014	859	(508)	(24)	-	2,341
Unrestricted funds						
Designated funds						
Advance fees	200	181	-	-	97	478
Non-charitable trading funds	-	1,325	(366)	(959)	-	-
Other unrestricted funds						
Retained income	23,071	27,261	(28,048)	983	-	23,267
Total unrestricted funds	23,271	28,767	(28,414)	24	97	23,745
Total funds	**26,850**	**29,645**	**(28,987)**	**-**	**187**	**27,695**

Notes to the financial statements for the year ended 31 August 2025 (continued)

17. Funds (continued)

(a) Consolidated (continued)

	Total 1 September 2023 £'000	Restated Income £'000	Restated Expenditure £'000	Transfers £'000	Investment gain £'000	Total 31 August 2024 £'000
Endowed funds (expendable)						
Olive Willis Bursary and Scholarships fund	1,429	26	(37)	-	147	1,565
Restricted funds						
Appeal funds (building projects)	1,291	-	(52)	(24)	-	1,215
Foundation	321	482	(4)	-	-	799
	1,612	482	(56)	(24)	-	2,014
Unrestricted funds						
Designated funds						
Advance fees	158	24	-	-	18	200
Non-charitable trading funds	-	1,229	(285)	(944)	-	-
Other unrestricted funds						
Retained income	23,523	26,243	(27,663)	968	-	23,071
Total unrestricted funds	23,681	27,496	(27,948)	24	18	23,271
Total funds	26,722	28,004	(28,041)	-	165	26,850

The Olive Willis Bursary and Scholarships expendable Endowed fund provides financial assistance by way of bursaries and scholarships to enable daughters of former pupils of Downe House School and others who, in the opinion of the Trustees, are in need of such financial assistance to be educated at the School.

The Appeal funds (building projects) represents cumulative donations made to fund the construction of new facilities and the net book value of those facilities.

The Foundation fund represents funds raised by the Downe House Foundation for educational building projects at Downe House School.

The restricted Bursary fund represents a donation to the school for current and future pupils who are in need of financial assistance to be educated at the School.

The designated Advance fees fund represents amounts set aside to cover any shortfall in the advance fees account (note 14).

Included within total funds is an investment revaluation reserve of £632,000 (2024: £445,000) for the consolidated balance sheet.

Transfers between funds arise on elimination of intra group transactions on consolidation.

Notes to the financial statements for the year ended 31 August 2025 (continued)

17. Funds (continued)

(b) School

	Total 1 September 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment gain £'000	**Total 31 August 2025 £'000**
Endowed funds						
Olive Willis Bursary and Scholarships fund	1,565	19	(65)	-	90	**1,609**
Restricted funds						
Bursary	-	600	(200)	-	-	**400**
Appeal fund (building projects)	739	-	-	(24)	-	**715**
	739	600	(200)	(24)	-	**1,115**
Unrestricted funds						
Designated funds						
Advance fees	200	181	-	-	97	**478**
Other unrestricted funds						
Retained income	11,045	29,895	(27,918)	24	-	**13,046**
Total unrestricted funds	11,245	30,076	(27,918)	24	97	**13,524**
Total funds	**13,549**	**30,695**	**(28,183)**	**-**	**187**	**16,248**

	Total 1 September 2023 £'000	Restated Income £'000	Restated Expenditure £'000	Transfers £'000	Investment gain £'000	Total 31 August 2024 £'000
Endowed funds						
Olive Willis Bursary and Scholarships fund	1,429	26	(37)	-	147	1,565
Restricted funds						
Appeal fund (building projects)	763	-	-	(24)	-	739
Unrestricted funds						
Designated funds						
Advance fees	158	24	-	-	18	200
Other unrestricted funds						
Retained income	24,147	24,997	(25,464)	(12,635)	-	11,045
Total unrestricted funds	24,305	25,021	(25,464)	(12,635)	18	11,245
Total funds	26,497	25,047	(25,501)	(12,659)	165	13,549

Notes to the financial statements for the year ended 31 August 2025 (continued)

18. Financial commitments

Operating leases

At 31 August 2025 the School, and group, had total commitments for items other than land and buildings under non-cancellable operating leases as follows:

Consolidated	**2025 £'000**	2024 £'000
Less than one year	**89**	63
1 to 5 years	**162**	60
Greater than 5 years	**-**	-
	251	123

School	**2025 £'000**	2024 £'000
Less than one year	**89**	62
1 to 5 years	**162**	60
Greater than 5 years	**-**	-
	251	122

19. Trustees

The Trustees do not receive any remuneration. Expenses reimbursed for travelling undertaken on behalf of the School amounted to £256 (2024: £719).

20. Pensions and pension schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS 102, the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £666,000 (2024: £1,312,000).

The last valuation of the scheme was as at 31 March 2020. The Government Actuary's Department report of October 2023 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £262.0 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £222.2 billion.

The employer contribution rate is set by the Secretary of State following scheme valuations and from 1 April 2024, the employer contribution rate was increased to 28.68%.

Notes to the financial statements for the year ended 31 August 2025 (continued)

20. Pensions and pension schemes (continued)

TPT Retirement Solutions

Certain non-academic staff are members of TPT Retirement Solutions - The Independent Schools' Pension Scheme ('ISPS'). This scheme was introduced with effect from 5 September 1996, to which both the School and staff contribute. The Independent Schools' Pension Scheme is an industry-wide, funded defined benefit scheme.

Under definitions set out in FRS102, the ISPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School has accounted for its contributions as if it were a defined contribution scheme. In addition to this the ISPS deficit contributions are recognised as they are paid and the agreed deficit recovery payments are recognised as a liability.

During the year to 31 August 2024, the school has paid an employer contribution rate of 42.6%. Due to the nature of the scheme, the charge to the statement of financial activities for the year under FRS102 represents the employer contribution payable. The superannuation cost represents contributions payable to the fund and amounted to £50,000 (2024: £47,000).

The latest full actuarial valuation of the Scheme was at 30 September 2023. The market value of the Scheme's assets at the valuation date was £99.2m and the value of the liabilities at that date was £151.5m giving a deficit of £52.3m.

Following consideration of the results of the actuarial valuation in 2023 it was agreed that the shortfall would be dealt with by the payment of deficit contributions of £6.0 million per annum from 1 September 2025 to 31 January 2034. If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit on an ongoing funding basis. The School pays a pro rata proportion of the deficit contributions based on details provided by the ISPS. A liability has been recognised for this obligation of £467,000 (2024 £220,000). £60,000 of this amount is due within one year, with £407,000 due in more than one year:

	£'000
Liability as at 1 September 2024	220
Unwinding of discount	**10**
Deficit contribution made	**(31)**
Remeasurement	**268**
Liability as at 31 August 2025	**467**

Other pension schemes

Certain academic and non-academic staff are members of the Downe House Staff Pension Schemes, which are defined contribution insured funds administered by private pensions companies to which contributions are paid as they become due.

The superannuation cost represents contributions payable to the funds and amounted to £1,387,000 (2024: £704,000). The balance of contributions payable at the year-end was £112,000 (2024: £89,000).

Notes to the financial statements for the year ended 31 August 2025 (continued)

21. Subsidiary undertakings

The principal place of business for all subsidiary undertakings is the same as that for Downe House School as noted on page 45.

Downe House School owns the entire share capital of a trading subsidiary undertaking, Downe House School Services Limited, a company registered in England and Wales (2664010) with £2 share capital, called up and fully paid (Note 2).

Downe House School owns the entire £2 share capital of subsidiary Downe House International Limited, a company registered in England and Wales (12232441) (note 2), which owns the entire £2 share capital of Downe House International (Oman) Limited, also registered in England and Wales (12332320).

Downe House School is the sole corporate Trustee of the Downe House Trust (309091). The trust is managed by the Trustees of the School. The Downe House Trust owns property used by the School for which it received rental payments of £646,000 (2024: £646,000) for the year.

Downe House Trust	**2025 £'000**	2024 £'000
Total income	**646**	647
Total expenditure	**(2,634)**	(3,082)
Net expenditure	**(1,988)**	(2,435)
Advance written off by Downe House School	**-**	15,000
Net movement in funds	**(1,988)**	12,565
Total assets	**39,811**	40,361
Total liabilities	**(29,526)**	(28,088)
Total funds	**10,285**	12,273

Downe House School is the sole member of Downe House Foundation (1159259). The Downe House Foundation is managed independently of the School, has a separate board of Trustees and raises funds for educational building projects at Downe House School. The results reported below have been consolidated in the group financial statements after making appropriate intra group adjustments.

Downe House Foundation	**2025 £'000**	2024 £'000
Total income	**393**	515
Total expenditure	**(259)**	(4)
Net movement in funds	**134**	511
Total assets	**1,167**	1,032
Total liabilities	**(5)**	(4)
Total funds	**1,162**	1,028

As noted on page 6 the Downe House Appeal Fund (2009), a linked charity, is dormant with no assets or liabilities.

Notes to the financial statements for the year ended 31 August 2025 (continued)

22. Analysis of changes in net funds

	Cash at bank and in hand less overdraft £'000	Loans falling due within one year £'000	**Net funds Total £'000**
Balance at 1 September 2024	2,973	-	2,973
Cash flows	**5,147**	**-**	**5,147**
Balance at 31 August 2025	**8,120**	**-**	**8,120**

23. Capital

The School is a company limited by guarantee. Each member has undertaken to contribute £1 to the assets of the company to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 August 2025 was £12 (2024: £12).

24. Related party transactions

Trustees whose children attend the School do not receive any concessions on their fees or disbursement charges as a result of their position as a Trustee. Staff members receive a discount of between 50% and 90% of the basic fees.

The group incurred costs of £70,000 of which £20,000 was outstanding at 31 August 2025 (2024: £153,000, £Nil outstanding) in respect of legal services in the year ended 31 August 2025 to Farrer & Co. solicitors, where Ms VJ Richards is a Consultant.

The group earned income of £323,000, £8,000 of which was outstanding at 31 August 2025 (2024: £310,000, all outstanding) in respect of the use of Chateau de Sauveterre by the Prep Schools Trust, where Mrs E McKendrick is on the board of Trustees.

Trustees donated a total of £5,073 (2024: £300) during the year.

Notes to the financial statements for the year ended 31 August 2025 (continued)

25. Comparative Statement of Financial activities incorporating the income and expenditure account for the year ended 31 August 2024

	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Restated Total 2024 £'000
Income and endowments from:				
Charitable activities				
School activities	26,121	-	-	26,121
Other trading activities				
Trading income	1,249	-	-	1,249
Premises hire	69	-	-	69
Investments				
Investment income	24	-	26	50
Donations and legacies	33	482	-	515
Total Income	27,496	482	26	28,004
Expenditure on:				
Charitable activities				
School activities	(27,366)	(56)	(37)	(27,459)
Cost of finance	(104)	-	-	(104)
Raising funds				
Trading expenditure	(285)	-	-	(285)
Fundraising costs	(193)	-	-	(193)
Total expenditure	(27,948)	(56)	(37)	(28,041)
Net (expenditure)/income before gains on investments	(452)	426	(11)	(37)
Net gains on investments	18	-	147	165
Net income before transfers	(434)	426	136	128
Transfers between funds	24	(24)	-	-
Net movement in funds	(410)	402	136	128
Total funds brought forward	23,681	1,612	1,429	26,722
Total funds carried forward	23,271	2,014	1,565	26,850

Trustees, Officers and Advisors

Trustees, Governors and Directors

	Membership of Committees
Ms SK McNair Scott (Chair) (Chair of Business Development Committee)	All
Mr TM Boucher (Chair of Finance & General Purposes Committee)	F, ES, N, B
Ms VJ Richards (Exelby) (Vice Chair of Governors) (Chair of Safeguarding Committee)	ED, SG
Mr JJ Smith (Chair of Education Committee)	ED, SG, N
Mr MK Ridley (Chair of Estates Sub-Committee)	ES, F, B
Ms EJ Clarke	ED, B, N
Mr NJD Woods	F
Mr WJF Landale	B, ES, F
Mr ST Williams	B, ES, F
Mr MJ Brennan	B, ES
Mrs SE Coiley	ED, SG
Ms CE Ross	SG, F, N

NB: Key to membership of Committees above is as follows:

Education Committee	ED
Safeguarding Committee	SG
Finance & General Purposes Committee	F
Estates Sub-Committee	ES
Nominations, Governance and Remuneration Committee	N
Business Development Committee	B

Headmistress
Mrs E McKendrick, BA

Secretary
Mr EFP Valletta

Principal and Registered office
Downe House School
Hermitage Road
Cold Ash
Thatcham
Berkshire
RG18 9JJ

Independent Auditors
HaysMac LLP
10 Queens Street
London
EC4R 1AG

Solicitors
Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Bankers
Lloyds Bank plc
5 Bridge Street
Newbury
Berkshire
RG14 5BQ

Investment advisors
Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

DOWNE HOUSE SCHOOL

England & Wales - Charity number 1015059

Accounts

Downe House School

Annual report and financial statements

for the year ended 31 August 2024

Registered Number: 2645228
Registered Charity Number: 1015059

Downe House School

Annual report and financial statements for the year ended 31 August 2024

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Downe House School

Trustees, Officers and Advisors

Trustees, Governors and Directors

		Membership of Committees
Ms AF Hazlitt (Chair of Governors)	BA	All
Mr TM Boucher (Chair of Finance & General Purposes Committee)	BA,FCA	F, ES, N, B
Mr JJ Smith (Chair of Education Committee)	BA, MEd, PGCE	ED, SG, N
Ms VJ Richards (Exelby) (Vice Chair of Governors) (Chair of Safeguarding Committee)	MA	ED, SG
Mrs FM Holmes	BComm	ES, F
Dr C O'Kane *(resigned 20 June 2024)*	MA, MB, Bchir, MSc, Dphil	ED
Mr MK Ridley (Chair of Estates Sub-Committee)	BA, MA, MRICS	ES, F, B
Ms EJ Clarke	MInstF(Cert)	ED, B, N
Dr C I Ratnage *(resigned 1 December 2023)*		
Ms P Diana *(resigned 19 March 2024)*		SG, N
Ms CE Ross		B, ES, F
Ms SK McNair Scott (Chair of Business Development Committee)		
Mr NJD Woods		F
Mr WJF Landale *(Appointed 20 June 2024)*		B, ES, F
Mr ST Williams *(Appointed 20 June 2024)*		B, ES, F

NB : Key to membership of Committees above is as follows;

Education Committee	ED
Safeguarding Committee	SG
Finance & General Purposes Committee	F
Estates Sub-Committee	ES
Nominations, Governance and Remuneration Committee	N
Business Development Committee	B

Headmistress
Mrs E McKendrick, BA

Secretary
Mr EFP Valletta

Principal and Registered office
Downe House School
Hermitage Road
Cold Ash
Thatcham
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RG18 9JJ

Independent Auditors
PricewaterhouseCoopers LLP
One Chamberlain Square
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Solicitors
Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Bankers
Lloyds Bank plc
5 Bridge Street
Newbury
Berkshire
RG14 5BQ

Investment advisors
Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

Report of the Trustees and Strategic Report

The Trustees present their annual report and the audited financial statements of the group for the year ended 31 August 2024.

The information with respect to Trustees, Officers and Advisors set out on page 1 forms part of this report. The financial statements comply with the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS 102)" (revised 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

Downe House School ("the School") is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association – company registered number 2645228 and charity registration number 1015059, registered in England.

The School is the sole corporate Trustee of the Downe House Trust, a registered charity, number 309091, established by trust deed on 1 January 1944, which owns the land and buildings from which the School operates.

The School owns Downe House School Services Limited, company registered number 2664010, the trading activities of which include lettings of the School facilities and the provision of goods and services to the parents and pupils of Downe House School and third parties, the taxable profits of which are donated to the School.

The School is the ultimate parent of Downe House International (Oman) Limited, company registered number 12332320, registered in England. The trading activities are to pursue the opportunities for opening schools outside the UK, the taxable profits of which are donated to the School.

On 28 November 2006 the existing Trustees of the Olive Willis Trust resigned and Downe House School became the sole corporate Trustee of the Olive Willis Trust. From that date the Olive Willis Trust became a restricted Bursary and Scholarships fund within Downe House School. Under a Charities Commission Scheme dated 31 July 2011 the Olive Willis Trust Bursary and Scholarships fund became an Expendable Endowment Fund (Note 17).

Under the same scheme Downe House School became the sole Trustee of the Downe House Foundation, charity number 1044896. On 5 June 2014 the name of the Foundation was changed to 'Downe House Appeal Fund (2009)' which has no assets and is dormant. An application was made to establish a new Downe House Foundation in June 2014. The new Downe House Foundation, charity number 1159259, has a separate board of Trustees and is managed independently of the School.

The report and consolidated financial statements for the year ended 31 August 2024 relate to the total activities of the above legal entities.

Related parties

The School's relationship with Downe House School Services Limited, Downe House International (Oman) Limited, Downe House Trust and Downe House Foundation are disclosed above and that with related parties in note 27.

Connected organisation

There is one connected organisation, The Downe House Seniors Association which facilitates communication amongst former pupils of Downe House School who are members of the Downe House Seniors Association.

Report of the Trustees and Strategic Report (continued)

Induction and training of Trustees
All new Trustees undertake an induction and training day at the School the content of which depends on the individual's knowledge of the School and professional experience. Trustees are encouraged to attend seminars arranged by AGBIS (Association of Governing Bodies of Independent Schools) and other such bodies.

The Trustees, organisational structure and decision making
The Trustees ("the Governing Body") comprise all the directors of the company. Directors are elected at the Annual General Meeting and hold office until the third anniversary of the date of their election when they resign from office but are eligible for re-election up to a total of nine years. The Chair can be elected to serve up to an additional 5 years and the Vice-Chair can be elected to serve up to an additional 3 years.

The Trustees, all of whom served throughout the year to 31 August 2024, except where otherwise disclosed below, are as listed on page 1.

The following Directors were elected at the Annual General Meeting on 1 December 2023:

None

The following Directors were re-elected at the Annual General Meeting on 1 December 2023:

Mrs VJ Richards
Mr JJ Smith

The following Directors joined the Board during the course of the year:

Mr WJF Landale	20 June 2024
Mr ST Williams	20 June 2024

The following Directors left the Board during the course of the year:

Dr CI Ratnage	1 December 2023
Ms P Diana	19 March 2024
Dr C O'Kane	20 June 2024

The strategic direction of the School is set by the Trustees who approve the plans and budgets presented by the Headmistress and management team.

The School takes out Directors' liability insurance with a cover limit of £20 million.

The day to day running of the School is delegated to the Headmistress, the Director of Finance and Operations and the Director of Estates, Property and Services who attend meetings of the committees referred to below as appropriate.

To assist the Trustees in their duties the following committees are established:

Education Committee
The members of this Committee meet at least four times a year to submit reports and recommendations to the Board of Trustees on the following matters:

i. To review and to make recommendations to the Governing Body on any aspect of educational policy, provision and practice delegated by the Board in order to support the work of the Headmistress and her staff.

ii. To review any academic department suggested by the Governing Body and to make proposals concerning its curriculum development, staffing and resources.

iii. To investigate any aspect of staffing policy or any particular staffing issue delegated by the Governing Body and make appropriate recommendations.

Report of the Trustees and Strategic Report (continued)

iv. To review any aspect of pastoral care of students as delegated by the Governing Body and make appropriate recommendations.

v. To propose to the Governing Body the review of any aspect of the School's educational provision which may arise from the Committee's discussions.

vi. To invite the attendance of Heads of Department, or any relevant member of staff, to an agenda item as advised by the Head and when appropriate.

Finance and General Purposes Committee

The members of this Committee meet at least four times per year to submit reports and recommendations to the Board of Trustees on the following matters:

i. To formulate business plans and annual budgets, in accordance with the School's aims and objectives, for consideration by the Board of Trustees and to monitor their execution once approved.

ii. To recommend an annual programme of capital expenditure to the Board of Trustees.

iii. To recommend the level of fees for the forthcoming year to the Board of Trustees.

iv. To determine appropriate financial controls and procedures.

v. To propose policy objectives to the Board of Trustees on:

a. Charging and fee remissions
b. Salaries
c. Bursaries
d. Contracts
e. Investments

Estates Sub-Committee

The members of this Sub-Committee meet at least four times per year to submit reports and recommendations to the Board of Trustees and/or the Finance and General Purposes Committee on the following matters:

i. The overall development of the School's buildings and properties.

ii. The planning, design and management of current and future construction projects.

iii. The annual maintenance and improvement programme for the School's buildings, including Health and Safety issues.

iv. Any other buildings or property related matters referred to the Sub-Committee by the Board of Governors or the Finance and General Purposes Committee.

The Nominations, Governance and Remuneration Committee

The members of this Committee meet a minimum of once per year, or when convened by the Chair, to consider nominations to the Board and to have oversight of Governance. The Board of Trustees decides on the need for new appointments based on its succession planning and examination of its effectiveness. The Committee considers candidates for approval by the Board based on specifications such as eligibility, specialist skills, personal competence and availability. The Committee also considers remuneration for the Headmistress having due regard to the need to retain the best staff available and taking due consideration of competitor salary information available in the public domain. Remuneration for other key management personnel is discussed by the Headmistress, Chair and Chair of the Finance and General Purposes Committee.

Report of the Trustees and Strategic Report (continued)

Business Development Committee

The members of this Committee meet a minimum of once per year, or when convened by the Chair, to consider the following matters:

i. Take a lead, from a Governance perspective, on the assessment of material business development opportunities outside the core activity of providing education at Cold Ash.

ii. Ensuring that the Board of Governors remains appropriately informed of potential projects under consideration and their progress. Decision making remains a matter for the Board of Governors, although it may choose to delegate responsibility for execution of a particular project to the Business Development Committee.

Safeguarding and Child Protection

The School is committed to Safeguarding and Protecting all the children in its care. The Designated Safeguarding Lead (DSL) is the Boarding Deputy who is supported by the Deputy Head as Deputy DSL. The Headmistress is also fully trained as a DSL. Staff are trained and updated regularly in Safeguarding and Child Protection matters, as are Governors and all those who would have unsupervised access to pupils. All policies are in place to meet regulatory requirements and give due consideration to West Berkshire Guidance. The appointment of staff, Governors and all other individuals for whom it is necessary, such as contractors and regular taxi drivers, are subject to the appropriate pre-employment checks, for example, Enhanced DBS checks and references.

There are five Board members on the Safeguarding Committee including the current Board Chair. The DSL and Headmistress of the school also sit on the Committee as ex-officio members.

The committee meets at a minimum termly throughout the academic year to;

i. agree protocols and procedures that reflect a best practice approach to safeguarding in line with the latest government KCSIE guidelines.

ii. ensure clear accountability and training for those across the school community with responsibility for safeguarding.

iii. share learning and casework developments to improve awareness and compliance around safeguarding.

The DSL produces termly reports that are shared with the committee and an abridged version is then shared with the Board.

For details of the members of each of these committees see page 1.

Compliance Framework

The School is committed to ensuring that it complies with all relevant legislation. It is regularly inspected and Governors are updated by the Headmistress and the Senior management team on any changes required to meet statutory obligations throughout the School. These updates are provided termly at Board Meetings.

LOCATION OF THE SCHOOL

Downe House School is situated on a site of 110 acres in the village of Cold Ash in Berkshire. Pupils from the ages of 11 to 18 are educated on the site. The School also owns the Chateau de Sauveterre near Toulouse in France. This site was utilised by the school in the first term of the year and welcomed year 7 pupils from a number of prep schools in the Lent and Summer terms. A particular emphasis is placed on the development of the boarding facilities as nearly all pupils board at the School full-time. A limited amount of staff housing is also provided in order to support the strong boarding ethos that exists.

Report of the Trustees and Strategic Report (continued)

OBJECTIVES AND ACTIVITIES

Objects

The objects of Downe House School are:

- to promote and provide for the advancement of education and in connection therewith to conduct and acquire and carry on any boarding or day school for the education of children.

The objects of Downe House Trust are:

- the provision and conduct at or near Cold Ash, near Newbury, of a day or day and boarding school for girls.

The objects of Downe House Foundation are:
- to advance education by the provision of funding, assistance and support to Downe House School.

The objects of Downe House School Services Limited are:

- to carry on business as a general commercial company.

Aims and intended impact

The School exists to provide girls with, and promote, an excellent holistic education. The School is a boarding and day school for girls from ages 11 to 18. The School aims to promote the development of the individual by enabling girls to strive for the highest academic results of which they are capable. At the same time, they should be able to enjoy the opportunities and support which allow them to develop the personal, social, spiritual and emotional awareness that is the balance to academic excellence and thus prepares them for adult life and work. The financial results facilitate the educational, pastoral and charitable objectives of the School.

Policy and objectives for the year

The main policies and objectives for the year were to:

- Maintain excellent academic standards in the School, be at the forefront of best educational practice and development and prepare students for any appropriate national assessments and public examinations to enable each to succeed according to ability.
- Sustain the highest standards of pastoral care in the School.
- Allow pupils to develop wider interests such as music, sport and extra-curricular activities to ensure a holistic education.
- To demonstrate the full Public Benefit that the School provides.
- Maintain total pupil numbers at 550 plus, all of whom will benefit from the full immersive education that is offered.
- Pursue a financial strategy which enables the aims of the School's Strategic Development Plan to be met.

Report of the Trustees and Strategic Report (continued)

Strategies for achievement of objectives

The School is committed to the recruitment of staff of the highest quality and to their continued training.

The School has appropriate policies in place to ensure that pastoral care is of the highest standard.

Pupils' development of wider interests and the provision of a holistic education is actively encouraged throughout the School.

The School fosters and develops good links with existing parents, prospective parents and feeder schools encouraging them to promote the School. The School is also promoted by actively seeking new areas of recruitment.

Financial objectives and strategy of the School are an integral part of the Strategic Development Plan and are regularly reviewed.

Estate Strategy

A regular review of facilities is undertaken to ensure that they are fit for purpose and will continue to meet the needs of a first-class boarding education for girls and Downe House School's agreed strategic objectives. All stakeholders including pupils, staff, parents, past parents and alumnae have been involved in the formulation of a capital works development programme within the Estate Strategy. This has proved to be very successful and a Centenary Development Plan has been constructed which will lead to improvements in the School's facilities that have been identified as current or future needs. This plan builds on the very successful Ten-Year Plan just completed which included the building of new lower-school boarding houses and the completion of the Murray Centre in 2019. Running alongside the development programme is a schedule of routine works and maintenance. As well as an emphasis on improving boarding and classroom accommodation, the School has also been focusing on developing a robust infrastructure of services to support and sustain current and future needs, for example, to take account of increasing demands of technology and new buildings. It should be noted that ensuring all developments are sustainable and environmentally friendly is a key aim.

Grant Making Policy

Bursaries

The reduction in the monetary value of scholarships noted below means that it will be possible to make increasing provision for means-tested bursaries, including those from the Olive Willis Trust, in order to ensure broad access to the School. Applications for Bursaries are considered by the Headmistress and Director of Finance and Operations who make recommendations to the Chair of Governors and the Chair of the Finance and General Purposes Committee. Awards are means-tested on the basis of financial information provided by the applicant. To ensure that no section of society is excluded from the School the maximum level of bursary awards is 100% plus extras. This Bursary policy is advertised in the appropriate media and the School also works with the Royal National Children's SpringBoard Foundation to identify suitable candidates.

Scholarships

Scholarships are awarded by the Headmistress as a result of academic, sporting, musical or dramatic talent and potential evidenced by achievement in the relevant scholarship examinations set by the School. From 2019/2020 the financial component of new scholarships was reduced to Nil although those granted before that date may continue. Those gaining Music Scholarships do receive tuition for teaching in up to two individual musical instruments.

Report of the Trustees and Strategic Report (continued)

Public Benefit

Having regard to the general guidance on Public Benefit from the Charity Commission, as set out in section 17 of the Charities Act 2011, the School continues to develop its overall contribution and build partnerships with local schools and organisations, as well as open facilities and events, where possible, to the local community. These developments are in addition to the increased number of means-tested Bursaries.

Community Engagement

Downe House is committed to playing an active part in the local community. To that end, as well as supporting local businesses, the School supports a number of local charities through fundraising activities but also through the girls contributing to the work of local organisations/charities. This can take the form of visiting Care Homes, supporting children who ride at the Riding for the Disabled Charity, supporting children at the respite care Charity, Swings and Smiles, and reading in local primary schools. This will either be done through the Duke of Edinburgh Award scheme or through Downe House's own Community Service scheme. Our musicians play annually for the parishioners at St John's Church in Newbury to raise funds for Christian Aid and also House choirs will visit local residential homes to provide entertainment as requested. In 2024, the School ran a Make a Difference Day and welcomed over 200 local children onto the site for an educational activities day provided by staff and girls. There was also a programme of girls' contributing to community projects on that day. These initiatives were led by our newly appointed Director of Partnerships.

Further collaboration with local schools takes place through a growing number of initiatives including our Oxbridge Interview evening or, as mentioned above, by opening up appropriate events and lectures, for example, our Classics Day and our Educational Conferences to students and staff from other schools and welcoming members of the local community to plays, concerts and other appropriate events. Some of our staff also act as Governors at local schools and share their expertise.

Bursaries

A means tested bursary scheme, in part funded by the Olive Willis Trust Fund, is in operation potentially remitting up to 100% of fees plus extras from which 42 girls benefited at a cost of £1,388,000 (2023: 32 girls benefited at a cost of £931,000). The School had 25 pupils on high level bursaries between 75% and 100% plus extras for 2023/2024. For 2024/2025 28 high level bursaries between 75% and 100% of fees plus extras have been awarded.

The Olive Willis Trust Fund principally provides for the advancement of education in connection with the School for the public benefit, in particular, but not limited to, the provision of financial assistance to prospective, current and former pupils of Downe House School who are in need.

Fundraising

Girls are encouraged to raise money for charities as part of their general education. During the year £34,367 has been raised (2023: £10,378). The wide variety of charities supported includes:

The Acland Memorial Hall
JDRF Diabetes UK
Stepping Stones
West Berks Foodbank
Hope Asia
Guide Dogs for the Blind
Swings and Smiles
The Bishop of Oxford's Outreach Fund

Report of the Trustees and Strategic Report (continued)

Downe House School Services Limited
Downe House School Services Limited's trading activities include lettings of the School's facilities. The Company's major activities are the Global Academy; the rental of the School in Sauveterre; and Summer lets, all of which have been successful and contributed significantly to the profits donated to its parent undertaking the details of which are provided in note 2.

Downe House International (Oman) Limited
Downe House International (Oman) Limited receives fees for licensed products and services for Downe House Riyadh and Downe House Muscat, the first overseas schools to be opened by its partner in September 2022. The profits are donated to Downe House School as detailed in note 2.

Downe House Trust
Downe House Trust provides the 110 acre site and properties used by Downe House School.

Downe House Foundation
Downe House Foundation, charity number 1159259, was established in June 2014. Downe House Foundation is managed independently of the School, has a separate board of Trustees and raises funds for educational building projects at Downe House School. All major fundraising is undertaken by the Downe House Foundation.

Investment Performance
Investment performance is reviewed regularly and investments have performed adequately in the year and in line with set performance.

Leadership team and staff
The Trustees would like to take this opportunity to recognise the hard work and dedication of the Headmistress, leadership team and the teaching, pastoral, operational and support staff of the School during the year.

Employment Policies
Downe House School is committed to recruiting and retaining the highest quality members of staff. To that end it ensures that staff are well rewarded through competitive salary packages and opportunities for career development. Our salary package and terms and conditions are kept under review by the Director of HR and the Director of Finance and Operations. Opportunities for In-service training (Inset) are provided to all staff and applications for day courses and extended Inset can be made to improve their skills and qualifications. Such applications are reviewed by the Deputy Head, or appropriate line-manager, and assessed against the needs of the School's Strategic Development Plan, the House or Departmental Development Plans and the individual's own performance review. In addition, regular whole-staff and departmental training is provided by the School at the start of each term and regularly throughout the term. The Performance Review System is comprehensive and applies to all staff. It has recently been streamlined and computerised so that it is more effective, efficient and ensures that staff are provided with feedback on all aspects of their role. 360-degree performance reviews are currently in the second year of trial at Leadership Team level.

The School regularly provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the School is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the School plays a major role in maintaining the success of the School. The School encourages the involvement of employees by means of regular departmental meetings, working parties, as well as whole-staff meetings.

The School is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of gender, race, ethnicity, disability, sexual orientation, age or marital status and gives full and fair consideration to applications for employment.

Report of the Trustees and Strategic Report (continued)

STRATEGIC REPORT

Achievements and Performance

Review of 2023/2024

The Public Examination results this year remained very positive, particularly against a national return to 2019 grading and standards. GCSE passes at 4-9 grade (A* to C) or equivalent grades = 99.1% (2023: 99.4%) with 75% being at 7 – 9 grade (2023: 81%) and 55% at 8 – 9 grade (2023: 59%). A level passes A* to B or equivalent grades = 82% (2023: 85%).

The range of universities at which pupils achieved places includes Oxford, Cambridge, Bristol, Durham, Edinburgh, Exeter, London, Leeds and Manchester, as well as leading universities across the globe including in the US, Canada and Europe.

This year the School commissioned market research from Mungo Dunnett Associates, a specialist in conducting qualitative market research in independent schools. It identified many strengths (academic, pastoral, co-curricular, global opportunities and much more) in the School's provision and highlighted areas for further development too, including developing a sense of belonging following the pandemic and parents and pupils. Feedback on the research was given to all parents through a series of webinars and a recorded one for those parents unable to attend any of the live sessions.

The School has been very pleased to welcome our new Deputy Head (Academic) this year. He is supported by the Director of Teaching and Learning, the Director of Curriculum and the Director of Digital Learning. They have continued to focus on the ways in which technology and AI can enhance teaching and learning with many opportunities for staff training and high levels of engagement at staff and student level. Emphasis on lesson observation and the sharing of good practice has been a priority and staff regularly share their experience and learnings through internal publications and INSET sessions. The staff-led Working Groups have all put forward useful recommendations including those onlooking at Outdoor Education, improving languages skills and managing neurodiverse pupils more effectively inside and outside the classroom. As well as Staff-led INSET sessions have which have been both energising and enlightening for everyone, the Deputy Head has also initiated a partnership with Bradfield College and Winchester College, and designed and organised a very successful Aspiring Middle Leaders Course. The Deputy Head Pastoral has designed a programme of sharing good practice with Stowe School and Radley College where Housestaff can visit one another and share experiences. Both these initiatives have been very successful indeed in enhancing practice. The School seeks to be at the forefront of educational development and practice.

We have continued to build our academic and pastoral partnership with parents through our 'Parenting and Educating in Partnership Programme' that was launched last year. It has been further refined and has once again been very successful in sharing information and expertise with parents on academic and pastoral matters through online talks. The continuation of the delivery of online seminars and lectures has meant that many more parents are able to access material and indeed do so. These talks are very often recorded and the take-up of parents watching them at a later stage is high.

All of our Housemistresses, Assistant Housemistresses and Health Centre staff, as well as members of the Safeguarding Team have Mental Health First Aid training. We continue to develop our use of STEER tracking with Tutors now having access to the information to enable them to support the girls, and older students now also have access to their data in readiness to help them to understand themselves better and so look after themselves more effectively when they leave school. Our anonymous reporting platform for pupils, Whisper, has continued to prove useful in enabling girls to reach out for help or report concerns in a protected way. Our Director of Pupil Wellbeing has taken over the management of Learning for Life (PSHE), as well as responsibility for EDI and has introduced a more formal programme of timetabled Learning for Life lessons in the Sixth Form. Our newly appointed EDI Coordinator has done a significant amount of work to raise awareness of EDI matters with both students and staff and the committees are active and effective.

Report of the Trustees and Strategic Report (continued)

The Coordinator of EDI has continued to implement the recommendations provided in the full Race Equality Review which was undertaken through Farrer & Co with All-in Education last year Opportunities to discuss racial prejudice, sexual harassment, discrimination generally and inclusion continue to be provided through PSHE and in the Houses. There has also been greater awareness raised through Black History Month, Pride Week and a Neurodiversity Week. Our strategic partnership developed with Radley College, a near-by boys' school, also plays a significant part in helping to explore healthy and respectful relationships with pupils in Year 9 upwards. Chloe Combi, an expert in the field, continues to guide us and analyse the work that we are doing to ensure that it is achieving its aim. This work is being replicated through our partnership with Ludgrove School, a boys' Preparatory School, for pupils in years 7 and 8.

Safeguarding the welfare of all our young people remains a key priority for all the adults connected with the School. Appropriate training and checks are in place and the School continues to have a team of Senior Staff trained to level 3 so that the Designated Safeguarding Lead (DSL) has good support. The appointment of an external Safeguarding Adviser who has visited the School regularly (four times this year) has continued to provide very useful feedback following the audit of his work of the Safeguarding Team. He has worked closely with the DSL and also the Safeguarding Governor. The team has been further strengthened by the separation of the role of DSL from the role of Deputy Head (Pastoral), allowing greater time for the Deputy Head (Pastoral) to focus on general pastoral work.

The School has also set up a series of House and year group events for parents to help to develop a sense of belonging identified as needing strengthening in our market research both overseas and in the UK. These have been well received and attendance has been good. The Downe House Society has also been established which is running a series of parent events, for example, a day at the Races.

The academic life of the School has continued to flourish with the development of the use of technology in teaching continuing. There has been a continuation of the training offered across departments with colleagues supporting one another through a channel in Microsoft Teams and we remain a Microsoft Showcase School. Our programme for our Scholars has been further developed significantly with a larger number of events taking place and students producing magazines for the community where their knowledge, interest and expertise are shared. In particular a new STEM magazine has been launched very successfully. Participation in academic competitions, for example Olympiads, is high and success rates very pleasing. Further Academic Symposiums have also taken place with Radley College for our Year 10 and 12 students focused on Science and Humanities and Debating is flourishing throughout the School. We have been delighted to introduce Model United Nations to Year 9 (UIV) to encourage presentation skills and engagement in the wider world and also a House Investment Competition where girls are given responsibility, following training, for investing a virtual sum of money in the Stock Market. Both these initiatives have been well received.

The World Ready Programme, a programme that draws together all the activities that are offered to the students at Downe House to ensure that they are ready to take their place in the world, continues to be a great success and is regularly evaluated and adapted. It is a three-part programme with Years 7 and 8 being the World Aware section, Years 9 – 11 being the World Explore section and Years 12 and 13, the World Ready section. It includes at its heart a broad and rich academic curriculum, excellent pastoral support and a varied and challenging co-curricular programme complemented by a range of initiatives to help all students to develop the Downe House DNA (Compassion, Collaboration, Creativity, Resilience, Aspiration, Communication, Outward-looking). This includes, for example, all students having the option to develop leadership skills throughout their time at Downe, all students having the opportunity to do a Mini MBA, run by Hult Ashridge College, the Microsoft Office Specialist qualification, the Ivy House Leadership qualification, Leiths Cookery qualification and much more. After review, we have also added an opportunity to complete a TEFL qualification.

Report of the Trustees and Strategic Report (continued)

Developing the whole person is at the heart of a Downe House education. Drama and Music have continued to maintain a high profile throughout the year. Productions of 'Grimms Fairy Tales', 'Amelie' and 'Marvin's Room', 'Romeo and Juliet' and much more all ensured that girls from a variety of ages were able to shine and they were excellent. Our annual House Drama, House Dance and House Gym Competitions all took place and showcased a wonderful range of talent. Some of the productions mentioned above formed a key part of the Founder's Weekend programme. There were also wonderful displays of Art, Textiles, DT and Photography in the Murray Centre. The choirs and some of our instrumentalists and ensembles performed in outstanding concerts at Founder's Weekend, at St John's Church on Newbury. We enjoyed two exceptional Carol Services, one in London and one at School. A Musical Theatre Day and a Dance Day for Prep School and Primary School children respectively were both extremely well attended and enjoyed!

In Sport there was activity in every area in the Michaelmas, Lent and Summer terms including Lacrosse, Netball, Hockey, Swimming, Athletics, Cricket, Riding, Tennis, Badminton, Basketball, and Squash with various inter-school competitions and matches being won and many girls being chosen to represent their region or country in lacrosse in particular. Pre-season training continues to be a strong feature of the preparation for each season and valued by the girls and the staff. A lacrosse training camp for prospective students and students new to the School took place again this year. An excellent Sports Workshop was also run for feeder school children.

The programme for our scholars in each of the other separate disciplines, outside the academic, – Art, Music, Drama and Sport – has continued to flourish and develop and the support which each receives is now well recognised and highly valued by the girls and the staff. We continue to invest in this programme with a selection of speakers, workshops and training/practice taking place each week.

The range of activities offered both at weekends and in the evenings remains a very important part of the life of the School as it enables girls to develop interests and skills and gain experience which will, we hope, help to build their confidence. The girls have enjoyed the programme of trips to the cinema, socials with other schools to a trip to Harry Potter World, Cadbury World, Thorpe Park and so on. Commitment to the Duke of Edinburgh remains strong at Bronze and Gold level as does the commitment to Peer Support and Academic Mentor Programme in the Sixth Form. It has also been very good to see our full programme of overseas trips back in place, including language, curriculum, sports trips and for the first time since the pandemic a more adventurous trip to Kenya, including community service

Developing global awareness and understanding in our girls also remains a priority and our Global Schools' Exchange Programme always attracts strong interest. In order to continue to build global awareness our Global Ambassador team has arranged a series of celebrations of international festivals which have been representative of the countries from which our girls come. They ran a Global Festivals' Residency very successfully too. It is our aim too to have two staff going out on Global Staff Exchanges with the aim of bringing back good practice from around the world and this took place this year with staff going to Australia and Sweden. It was a great feat of organisation to also be able to set up a ground-breaking series of Global Internships for members of the LVI. These are often kept as the preserve of universities but the benefit of such opportunities is priceless.

In addition to our education programme, the School's two new franchise campuses Downe House Muscat and Downe House, Riyadh have opened up opportunities for collaboration with partnership activities, for example prefect training, taking place across the three schools and offering opportunities for the pupils and staff to enhance their understanding of this wonderful part of the globe. Our online Global Academic offering enrichment courses in partnership with Elite K-12 in China continues to be successful and grow. Additional income for Downe House in the UK will be generated by all of these projects.

The School continues to use its French campus, Chateau de Sauveterre, near Toulouse in France in order to offer our unique opportunity for the Year 8 girls to spend a term there. It has been very good to see the girls benefiting from this experience both academically and pastorally. We continue to focus on maximising this asset for income generation.

Report of the Trustees and Strategic Report (continued)

As well as supporting charities overseas, the School maintains strong links with a number of local charities which it supports and the Upper School Houses have maintained their commitment to a local UK based charity as well as their link charity overseas. Charities and causes high on our list include Swings and Smiles, West Berks Foodbank, and JDRF Diabetes UK, as well as giving support to world disaster funds as the need arises. Individual girls continue to be able to present charities that are particularly meaningful to them or their families in order to raise money through a mufti day at the School.

None of this would be possible without a highly dedicated and professional staff body. We remain committed to investing in our staff and regular training opportunities are offered in different areas, from technology to EDI to classroom practice and well-being. They share their considerable expertise with one another as a matter of course. A comprehensive induction programme is in place for all staff so that they are able to gain a good understanding of the School and have appropriate support.

Investment in our facilities on the School site continues and saw the start of the refurbishment of one of the Sixth Form Houses, Willis, as well as the next phase of classroom refurbishment being undertaken, in the History department. Our Director of Development has made a very good start in establishing a culture of fundraising amongst our stakeholders, focusing on parents first, and sharing our vision for the development of the campus.

Although pupil numbers remain resilient and there is no doubt that this is a challenging time for girls' boarding schools and the recent confirmation of imposition of VAT from January 2025 has added to that pressure. In recognition of the financial challenges parents face and to take account of the change in the market, the School launched its new flexible boarding offering and day option from September 2025 with transport. We are confident that this will open up opportunities to attract to a wider variety of families who may not naturally be comfortable with full boarding. Of primary importance too is that we maintain a high-quality provision of education which we share as widely as possible. In addition, it is key that we contain costs and seek to increase revenue through appropriate diversification in activities. To this end, the School undertook a consultation exercise with staff regarding its continued membership of the TPS and is in the process of phased withdrawal.

Financial Review

Investment Powers and Policy

The School has the powers to invest and to delegate these powers to professional investment managers. Those investments which represent the composition of fees fund are held in gilts to facilitate parents who wish to make advanced fee payments. Investments representing the Olive Willis Bursary and Scholarship fund are held primarily in equity-based managed funds to generate capital growth to expand the fund and finance future bursary provision. In order to safeguard assets arising from donations, the assets of the Foundation are held as cash balances. It is considered inappropriate to expose such assets to possible investment risks and losses.

Reserves Policy

The School's tangible assets are all held for use in the School. Note 16 to the financial statements sets out an analysis of the assets attributable to the various funds which constitute the group. These assets are sufficient to meet the group's obligations on a fund by fund basis.

As described in note 16, the Group's reserves are fully represented by investments, tangible fixed assets and associated liabilities. There are no free funds beyond the extent of these assets and commitments. The Trustees consider that the existing level of reserves is appropriate for the needs of the School. This policy is reviewed at least annually.

Funds summary at 31 August (Note 17):
Total funds held £26.9m (2023: £26.7m)
Restricted funds £2.0m (2023: £1.6m)
Endowed funds £1.6m (2023: £1.4m)

Report of the Trustees and Strategic Report (continued)

Financial Results

The results are shown in the financial statements and notes thereto on pages 20 to 50. Fee income, net of bursaries and scholarships was £24.9m (2023: £23.3m). Total resources expended have increased from £25.4m to £26.8m.
Net incoming resources before gains and losses on investments amounted to a £37k net expense (2023: £1.1m net expense). There has been a decrease in the Group's net funds position from £3.5m to £3.0m (note 24).

The activities of Downe House School Services Limited (Note 2), Downe House International (Oman) Limited (Note 2), Downe House Trust (Note 21) and Downe House Foundation (Note 21) contributed significantly to the Consolidated Financial Results.

Principal Key Performance Indicators (KPIs)

The School regularly reviews its performance against an agreed set of KPIs. These include educational (academic and pastoral), financial, operational, marketing and admissions targets, recruitment and retention of staff, as well as targets related to the development and management of the estate and support functions. These targets are reviewed annually by the Board and more regularly by the School's Leadership Team.

Changes in Tangible Assets

The movements in tangible assets during the year are set out in note 9 to the financial statements.

Principal Risks and Uncertainties.

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005), the Trustees have examined the major risks faced by the School and the group. A system of controls has been put in place to monitor and mitigate, where possible, the major risks identified and their impact on the School. Risks are identified and assessed via a risk matrix, mitigation measures and controls. A formal review of the School's risk management process is undertaken on a termly basis.

The school faces a range of risks and uncertainties that could significantly impact its future operations. The imposition of VAT on school fees presents a financial risk to both the school and its parents. The application of VAT will lead to increased costs for families, potentially affecting future enrolment levels. While these uncertainties pose potential challenges, the school remains focused on mitigating their impact through diversification of income streams, strategic cost planning and engagement with the School community.

Further key risk areas considered:

Future VAT claim on Fees paid in Advance
A material reduction in pupil numbers.
Pastoral Care and Education of Pupils.
Governance & Management.
Material changes in the regulatory environment.
Health & Safety.
The operational gearing of the School, in particular the significant level of fixed costs.

Areas of High Risk

The Key Risks to the School are recorded in a Corporate Governance Risk Assessment Document that is reviewed by the Board of Governors and the Leadership Team termly. Areas of medium and high risk have been identified and strategies for mitigating these put in place. Areas of high risk relate to factors outside the School's immediate control such as an economic downturn or demographic changes and in each case mitigating actions are in place to reduce the potential impact of the risk.

Report of the Trustees and Strategic Report (continued)

Price and cost risk

The School reviews its fees charged to parents on an annual basis. The fees charged are based on the principles of full cost recovery. These fees are factored into the School's plans and income forecasts. Salary levels are set by reference to prevailing market rates in the Education sector and are communicated to staff each year during the annual salary review process. Other costs are controlled by contract negotiations and competitive tendering with suppliers.

Credit risk
Risk on amounts owed to the School by parents is low, as the fees are due at the start of each term, non-payment is followed up early in each term and some fees are paid in advance.

Liquidity risk

The School has no long term borrowings, the current loan facility was repaid in June 2024, and replaced with a revolving credit facility (Note 13).

Interest rate cash flow risk

The School places surplus funds on short term deposit with its bankers. This is deemed to be low risk. The interest rate risk from the short term overdraft facility has been considered and is deemed to be low.

Plans for Future Periods

The School intends to:

- Maintain excellent academic standards in the School, be at the forefront of best educational practice and development and prepare students for any appropriate national assessments and public examinations to enable each to succeed according to ability.
- Sustain the highest standards of pastoral care in the School.
- Allow pupils to develop wider interests such as music, sport and Co-Curricular activities to ensure a holistic education.
- Actively demonstrate the full Public Benefit that the School provides, having regard to the general guidance on Public Benefit from the Charity Commission and where possible enhance that benefit.
- Maintain total pupil numbers over 550 across Boarding and Day
- Pursue a financial strategy which enables the aims of the School's Strategic Development Plan to be met.

Report of the Trustees and Strategic Report (continued)

Statement of Trustees' responsibilities

The Trustees (who are also directors of Downe House School for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on disclosure of information to the auditors

So far as the Trustees are aware:

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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

Report of the Trustees including the Strategic Report signed on behalf of the Board of Trustees on 2 December 2024



T Boucher
Trustee/Director

Downe House School

Independent auditors' report to the members of Downe House School

Report on the audit of the financial statements

Opinion

In our opinion, Downe House School's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2024 and of its the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, includingFRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and school balance sheets as at 31 August 2024; the consolidated statement of financial activities, the consolidated summary income and expenditure account, the note of consolidated historical cost profits and losses, and the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Downe House School

With respect to the Report of the Trustees and Strategic Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Report of the Trustees and Strategic Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Report of the Trustees and Strategic Report for the period ended 31 August 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Trustees and Strategic Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to employer related legislation, and health and safety law and standards imposed by the Independent Schools Inspectorate, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate the financial performance and position of the charity. Audit procedures performed by the engagement team included:

- Reviewing Board minutes and holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Using computer based audit techniques to identify and test higher risk journals, in particular those having unusual account combinations;
- Understanding the design and implementation of controls in relation to management override of control;
- Challenging key judgements and estimates; and
- Incorporating unpredictability into the nature, timing and/or extent of our testing.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Downe House School

Use of this report

This report, including the opinions, has been prepared for and only for the parent charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Billingham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
2 December 2024

Consolidated statement of financial activities for the year ended 31 August 2024

	Notes	Unrestricted funds School £'000	Others £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2024 £'000	Total 2023 £'000
INCOMING RESOURCES							
Donations and legacies		-	33	482	-	**515**	87
Other trading activities:							
Trading income		20	1,229	-	-	**1,249**	927
Premises hire		69	-	-	-	**69**	24
Income from investments		24	-	-	26	**50**	38
Income from charitable activities:							
School activities		24,908	-	-	-	**24,908**	23,265
Total Income and Endowments		**25,021**	**1,262**	**482**	**26**	**26,791**	24,341
RESOURCES EXPENDED							
Expenditure on raising funds:							
Trading expenditure	5	-	(275)	-	-	**(275)**	(136)
Governance costs	5	-	(10)	-	-	**(10)**	(8)
Generating voluntary income	5	(193)	-	-	-	**(193)**	(122)
Expenditure on charitable activities							
School activities	5	(25,194)	(981)	(52)	(37)	**(26,264)**	(24,885)
Governance costs	5	(77)	(5)	(4)	-	**(86)**	(73)
Other expenditure:							
Loss on disposal of fixed assets	5	-	-	-	-	-	(218)
Total expenditure		(25,464)	(1,271)	(56)	(37)	**(26,828)**	(25,442)
NET (EXPENSES)/ INCOME BEFORE GAINS/(LOSSES) ON INVESTMENTS		(443)	(9)	426	(11)	**(37)**	(1,101)
Net gains/(losses) on investments		18	-	-	147	**165**	(12)
NET (EXPENSES)/INCOME BEFORE TRANSFERS	4	(425)	(9)	426	136	**128**	(1,113)
Transfers between funds	17	(12,635)	12,659	(24)	-	-	-
NET MOVEMENT IN FUNDS		**(13,060)**	**12,650**	**402**	**136**	**128**	(1,113)
Total funds brought forward	17	24,305	(624)	1,612	1,429	26,722	27,835
TOTAL FUNDS CARRIED FORWARD	**17**	**11,245**	**12,026**	**2,014**	**1,565**	**26,850**	26,722

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the consolidated statement of financial activities. Included within total funds is an investment revaluation reserve of £292,000 (2023: £292,000) for the consolidated balance sheet.

Consolidated summary income and expenditure account for the year ended 31 August 2024

	Notes	2024 £'000	2023 £'000
Net charitable income		**25,542**	23,414
Less Endowed fund income		**(26)**	(26)
Non-charitable trading income	2	**1,249**	927
Total income		**26,765**	24,315
Charitable expenditure		**(26,543)**	(25,080)
Add back Endowed fund expenditure		**37**	13
Loss on disposal		**-**	(218)
Non-charitable trading expenditure	2	**(285)**	(144)
Net expenses before investment asset disposals		**(26)**	(1,114)
Loss on disposal of fixed asset investments		**-**	(8)
Interest payable and similar charges	7	**(104)**	(99)
Interest receivable		**50**	38
Deficit of income over expenditure		**(80)**	(1,183)

Reconciliation to Consolidated statement of financial activities

	2024 £'000	2023 £'000
Net outgoing resources before recognised gains & losses	**(37)**	(1,101)
Loss on disposal of fixed asset investments	**-**	(8)
Less net income and expenditure on endowed funds	**(11)**	13
Deficit of income over expenditure	**(48)**	(1,096)

Note of consolidated historical cost profits and losses for the year ended 31 August 2024

	2024 £'000	2023 £'000
Reported deficit of income over expenditure	**(48)**	(1,096)
Realisation of investment gains of previous years	**-**	(8)
Historical deficit on ordinary activities	**(48)**	(1,104)

Consolidated and School balance sheets as at 31 August 2024

	Notes	Consolidated 2024 £'000	Consolidated 2023 £'000	School 2024 £'000	School 2023 £'000
Fixed assets					
Tangible assets	9	**29,844**	29,740	**2,592**	2,648
Investments	10	**1,535**	2,037	**1,535**	2,037
		31,379	31,777	**4,127**	4,685
Current assets					
Stocks	11	**39**	39	**39**	39
Debtors	12	**5,861**	3,132	**34,313**	43,235
Investments	10	**9,424**	195	**9,413**	185
Cash at bank and in hand		**2,973**	5,503	**692**	4,579
		18,297	8,869	**44,457**	48,038
Creditors: amounts falling due within one year	13	**(14,417)**	(11,966)	**(26,626)**	(24,268)
Net current assets /(liabilities)		**3,880**	(3,097)	**17,831**	23,770
Total assets less current liabilities		**35,259**	28,680	**21,958**	28,455
Creditors: amounts falling due after more than one year					
Advance fees	14	**(6,655)**	(412)	**(6,655)**	(412)
Final term deposits	15	**(1,534)**	(1,310)	**(1,534)**	(1,310)
		(8,189)	(1,722)	**(8,189)**	(1,722)
Pension deficit	20	**(220)**	(236)	**(220)**	(236)
Net assets		**26,850**	26,722	**13,549**	26,497
Represented by:					
Endowed funds	17	**1,565**	1,429	**1,565**	1,429
Restricted funds	17	**2,014**	1,612	**739**	763
Unrestricted funds					
Designated	17	**200**	158	**200**	158
Retained income	17	**23,071**	23,523	**11,045**	24,147
Non-charitable trading funds	17	**-**	-	**-**	-
Total Unrestricted funds		**23,271**	23,681	**11,245**	24,305
Total funds		**26,850**	26,722	**13,549**	26,497

The financial statements on pages 20 to 50 were approved by the Trustees on 2 December 2024 and signed on their behalf by:



T Boucher
Trustee/Director

Consolidated cash flow statement for the year ended 31 August 2024

	Notes	2024 £'000	2023 £'000
Net cash inflow /(outflow) from operating activities	22	**9,767**	(369)
Net cash outflow from investing activities	23	**(10,297)**	(1,286)
Net cash outflow before financing		**(530)**	(1,655)
Net cash (outflow)/inflow from financing activities		**(2,000)**	500
Decrease in cash in the year	24,25	**(2,530)**	(1,155)
Cash and cash equivalents at start of year		5,503	6,658
Cash and cash equivalents at end of year		**2,973**	5,503

Notes to the financial statements for the year ended 31 August 2024

1 Principal accounting policies

Downe House School ("the School") is a charitable company limited by guarantee and a UK registered charity governed by its Memorandum and Articles of Association – company registered number 2645228 and charity registration number 1015059. The School is a public benefit entity. The address of its registered office is Downe House School, Hermitage Road, Cold Ash, Thatcham, Berkshire, RG18 9JJ.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom including Financial Reporting Standard 102 (FRS 102), Companies Act 2006 and the Charities Act 2011. In preparing the financial statements the School has followed best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS 102)" (revised 2015). A summary of the more important accounting policies of the School, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared on a going concern and accruals basis under the historical cost convention modified by the revaluation of fixed and current asset investments. The groups functional and presentational currency is £ sterling. The Directors consider it appropriate to adopt the going concern basis and have not identified any material uncertainties in the period of at least 12 months from the date of approval of the financial statements. After making enquiries the Directors have a reasonable expectation that the group has adequate resources to continue in operation for the foreseeable future.

Basis of consolidation

The financial statements of the School and its subsidiary undertakings (together "the group") include the consolidated financial statements of all the entities to 31 August each year.

The School has taken advantage of the exemption from publishing its own Income and Expenditure account conferred by s408 of the Companies Act 2006. The amount of the surplus or deficit for the year dealt with in the School's financial statements is disclosed in note 17.

Going Concern

The Trustees have reasonable expectation that the group has adequate resources to continue its activities for the foreseeable future based on cash flow forecasts to December 2025, including the impacts of the changes introduced by the new Government, and any plausible downside scenarios. A Revolving Credit facility was put in place during the year, and the previous loan of £2.0m was repaid in full. The credit facility has financial covenants which are all expected to be met based on all of these scenarios. As such, the Trustees expect that the group will continue to meet applicable financial covenants until December 2025 and that the group will be able to meet its debt repayment obligations as they fall due. Accordingly, the Trustees consider that there are no material uncertainties over the group's financial viability and thus continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 16.

Fees and similar income

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 allowances, scholarships and other remissions granted by the School.

Fees received in advance of education to be provided in future years under the Advance Fees scheme are held as liabilities until they are either taken to income in the term when utilised or refunded. Any residual balance is transferred to a designated Advance Fees fund once all future fee liabilities have been met.

Notes to the financial statements for the year ended 31 August 2024 (continued)

1 Principal accounting policies (continued)

Donations

All donations are shown in the consolidated statement of financial activities under incoming resources and are accounted for on a receivable basis.

Gains on disposal of fixed assets

On disposal of tangible fixed assets, the profit or loss on disposal is accounted for as the difference between the net sale proceeds and the net carrying amount of the tangible fixed asset. The profit or loss on disposal of tangible fixed assets is recognised in the Statement of Financial Activities for the year in which the disposal occurs.

Trading Income

Turnover represents amounts receivable for goods and services provided, net of VAT and trade discounts. Lettings income and other sundry income is recognised at the time the activity takes place.

Irrecoverable VAT

Any irrecoverable VAT is charged to the consolidated statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Overhead and other costs not directly attributable to particular functional categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to the level of costs in the functional categories.

Expenditure on raising funds includes the total costs attributable to each category from the subsidiary's trading activities and the fundraising costs which are incurred in securing income for the appeal fund.

Governance costs comprise the costs of running the School, including external audit, any legal advice for the Trustees and all the costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are unrestricted funds earmarked by the Trustees for specific projects.

Restricted funds are subject to specific conditions imposed by the donors.

Endowed funds are expendable capital funds where there is power to convert capital into income. Income from endowed funds is added to the relevant endowed fund.

Notes to the financial statements for the year ended 31 August 2024 (continued)

1 Principal accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation, at rates calculated to write off the cost, less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose are:

Equipment and furnishings	12.5%	- straight line
Computer equipment	20 %	- straight line
Motor vehicles	25%	- straight line

Freehold land and buildings held on trust are included at cost incurred prior to completion. Land is not depreciated. Buildings are depreciated at rates calculated to write off the cost less their estimated residual values on a straight line basis over the expected useful economic life of each building. The range of annual rates used for this purpose is between 10 and 50 years. Assets with a cost below £1,000 are not capitalised.

Fixed and current asset investments and investment income

Investments, representing quoted securities, are stated in the balance sheet at market value. Any gain or loss on the revaluation of investments is shown on the consolidated statement of financial activities. Investment income is accounted for in the period in which the School and the group is entitled to the income.

Stocks

Stocks of clothing, stationery and consumables are stated at the lower of cost, on a first-in, first-out basis, and net realisable value.

Registration fees

Registration fees placed for prospective pupils are non-refundable and are credited to fees income when received.

Final term deposits

Final term deposits are deposits placed when pupils join the School which are offset against fees and disbursements due for the last term each pupil attends. All deposits are classified as creditors.

Pension costs

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme (TPS) and the Independent Schools' Pension Scheme (ISPS). These are defined benefit schemes, which are externally funded and contracted out of the State Second Pension. Contributions to the TPS and ISPS 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 current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations not less than every four years using a prospective benefit method for the TPS and three yearly valuations using the projected unit method for the ISPS. As stated in Note 20, the TPS and ISPS schemes are both multi-employer schemes and the School is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. The TPS and ISPS schemes are therefore treated as defined contribution schemes and the contributions are recognised as they are paid each year.

In addition, the School pays contributions to the Downe House Staff Pension Schemes, which are defined contribution pension schemes arranged on behalf of individual employees at an agreed percentage of gross salary. The assets of the pension schemes are held separately to those of the School. Contributions payable to the schemes are charged in the statement of financial activities as they fall due as part of the employment costs.

Notes to the financial statements for the year ended 31 August 2024 (continued)

1 Principal accounting policies (continued)

Grants and allowances

Grants and allowances from restricted and unrestricted funds are included as expenditure in the period for which the award is given.

Concessionary Loans

Loans due from the subsidiary, Downe House Trust (note 12) are made to further the charitable purposes of the Group, are repayable on demand and treated as concessionary loans.

Critical estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors including expectations of future events that are believed to be reasonable in the circumstances. The Directors believe that no critical judgements have been made that affect the financial statements.

2 Trading income

The School owns Downe House School Services Limited, whose trading activities include lettings of the School facilities and the provision of goods and services to the parents and pupils of Downe House School and third parties. It donates its taxable profits to the School. Its results for the year to 31 August were:

	2024	2023
	£'000	£'000
Turnover	**960**	749
Cost of sales	**(225)**	(98)
Gross profit	**735**	651
Administration expenses	**(7)**	(9)
Donation to other registered charities	**(8)**	-
Profit on ordinary activities before taxation	**720**	642
Tax on profit on ordinary activities	**-**	-
Profit for the financial year	**720**	642
Donation to Downe House School	**720**	642

Cost of sales include £69,000 (2023: £24,000) for accommodation services provided by the School.

	2024	2023
	£'000	£'000
Total assets	**932**	735
Total liabilities	**(932)**	(735)
Net assets	**-**	-

Notes to the financial statements for the year ended 31 August 2024 (continued)

2 Trading income (continued)

The School owns Downe House International (Oman) Limited, whose trading activities include income from licensed products and services from local partners operating Downe House Riyadh and Downe House Muscat. It donates its taxable profits to the School. Its results for the year to 31 August were:

	2024	2023
	£'000	£'000
Turnover	**269**	158
Cost of sales	**(20)**	(20)
Gross profit	**249**	138
Administration expenses	**(26)**	(17)
Donation to other registered charities	**-**	-
Profit on ordinary activities before taxation	**223**	121
Tax on profit on ordinary activities	**-**	-
Profit for the financial year	**223**	121
Donation to Downe House School	**223**	121

	2024	2023
	£'000	£'000
Total assets	**269**	158
Total liabilities	**(269)**	(158)
Net assets	**-**	-

Downe House International (Oman) Limited is exempt from the requirements relating to the audit of accounts under section 479A of the Companies Act 2006.

3 Incoming resources from school activities

	2024	2023
	£'000	£'000
Gross fees receivable	**26,164**	24,090
Bursaries, grants and scholarships	**(1,425)**	(973)
Net fee income	**24,739**	23,117
Registration fees	**169**	148
	24,908	23,265

Notes to the financial statements for the year ended 31 August 2024 (continued)

4 Net expenses/(income) before transfers

	2024 £'000	2023 £'000
Net expenses/(income) before transfers is stated after charging/(crediting):		
Depreciation on owned assets	**1,577**	1,509
Operating lease rentals – equipment	**69**	51
Auditors' remuneration, including VAT		
- for audit services (School: £60,000 (2023: £50,000))	**85**	70
- Other assurance and tax services	**33**	22
- Tax compliance services	**11**	11

Staff costs

Wages and salaries	**13,183**	12,233
Social security costs	**1,813**	1,768
Pension contributions	**2,047**	1,868
Pension provision release	**-**	(278)
	17,043	15,591

The average number of employees in the year, calculated on a full time equivalent basis, was 323 (2023: 310) of which 143 (2023: 139) were teaching staff.

The number of employees whose emoluments exceeded £60,000 were:

	2024 Number	2023 Number
£60,001 - £70,000	**26**	14
£70,001 - £80,000	**10**	2
£80,001 - £90,000	**3**	3
£90,001 - £100,000	**2**	2
£100,001 - £110,000	**1**	2
£110,001 - £120,000	**2**	-
£130,001 - £140,000	**-**	1
£260,001 - £270,000	**1**	1

19 of the employees above (2023: 21) have pension benefits accruing under defined benefit schemes and 26 (2023: 4) have pension benefits accruing under a defined contribution scheme. The emoluments of the highest paid employee above reflects net employer contributions of 23.68% of salary to the Teachers' Pension scheme which ceased with effect from 1 September 2019 at which time the salary was increased by an amount equivalent to the contributions foregone.

Notes to the financial statements for the year ended 31 August 2024 (continued)

4 Net expenses/(income) before transfers (continued)

Total emoluments for key management personnel during the year were £613,000 (2023 £612,000). With the exception of reimbursed expenses shown in note 19 and related party transactions in note 27, neither the Trustees nor persons connected with them received any remuneration or other benefits from the School or any connected organisation.

5 Analysis of total resources expended

	Staff costs £'000	Depreciation £'000	Other £'000	**Total 2024 £'000**
Expenditure on raising funds:				
Trading expenditure	-	-	275	**275**
Governance costs	-	-	10	**10**
Generating voluntary income	145	-	48	**193**
	145	-	333	**478**
Expenditure on school activities				
Teaching	9,756	278	2,004	**12,038**
Welfare	4,299	136	2,023	**6,458**
Premises	867	1,092	2,238	**4,197**
Support costs for schooling	1,976	71	1,524	**3,571**
	16,898	1,577	7,789	**26,264**
Governance Costs	-	-	86	**86**
Total expenditure	**17,043**	**1,577**	**8,208**	**26,828**

Notes to the financial statements for the year ended 31 August 2024 (continued)

5 Analysis of total resources expended (continued)

	Staff costs £'000	Depreciation £'000	Other £'000	**Total 2023 £'000**
Expenditure on raising funds:				
Trading expenditure	-	-	136	**136**
Governance costs	-	-	8	**8**
Generating voluntary income	63	-	59	**122**
	63	-	203	**266**
Expenditure on school activities				
Teaching	9,094	257	1,912	**11,263**
Welfare	3,962	126	2,029	**6,117**
Premises	771	1,061	2,344	**4,176**
Support costs for schooling	1,701	65	1,563	**3,329**
	15,528	1,509	7,848	**24,885**
Governance Costs	-	-	73	**73**
Loss on disposal of fixed assets	-	-	218	**218**
Total expenditure	**15,591**	**1,509**	**8,342**	**25,442**

6 Governance costs

	2024 £'000	2023 £'000
Audit	**85**	70
Other	**11**	11
	96	81

7 Interest payable and similar charges

	2024 £'000	2023 £'000
Interest payable and similar charges		
On bank overdraft and other borrowings	**104**	99

Notes to the financial statements for the year ended 31 August 2024 (continued)

8 Taxation

The School and its subsidiary undertakings, Downe House Trust and Downe House Foundation were registered charities throughout the year and, as such, were not liable to corporation tax on the surplus of income over expenditure for the year, nor to capital taxes on gains arising from the disposal of assets.

The School was not registered for VAT during the financial year and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

Downe House Foundation and Downe House International (Oman) Limited were not registered for VAT during the financial year and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

Downe House Trust is registered for VAT and, where applicable, expenditure is recorded net of recoverable VAT.

Downe House School Services Limited is registered for VAT, and consequently all income and expenditure is recorded net of VAT.

Downe House School Services Limited and Downe House International (Oman) Limited gift all their profits to the School.

9 Tangible assets

	Freehold land & buildings £'000	Equipment & furnishings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
(a) Consolidated					
Cost					
As at 1 September 2023	40,520	9,716	3,324	298	53,858
Additions	1,251	311	114	5	1,681
As at 31 August 2024	**41,771**	**10,027**	**3,438**	**303**	**55,539**
Accumulated depreciation					
As at 1 September 2023	12,529	8,899	2,464	226	24,118
Charge for year	1,053	226	269	29	1,577
As at 31 August 2024	**13,582**	**9,125**	**2,733**	**255**	**25,695**
Net book value					
As at 31 August 2024	**28,189**	**902**	**705**	**48**	**29,844**
As at 31 August 2023	27,991	817	860	72	29,740

Notes to the financial statements for the year ended 31 August 2024 (continued)

9 Tangible assets (continued)

Included within freehold land and buildings is land at a cost of £92,473 (2023: £92,473) which is not depreciated. The Trustees' assessment is that Freehold land & buildings rented by Downe House Trust to Downe House School are being held for the provision of social benefit within the public benefit group and as such have been treated as fixed assets.

At 31st August 2024 the group had committed to spend £Nil on its capital projects in the coming year (2023: £Nil).

	Freehold land & buildings £'000	Equipment & furnishings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
(b) School					
Cost					
As at 1 September 2023	937	9,582	3,324	298	14,141
Additions	59	311	114	5	489
As at 31 August 2024	**996**	**9,893**	**3,438**	**303**	**14,630**
Accumulated depreciation					
As at 1 September 2023	38	8,765	2,464	226	11,493
Charge for year	21	226	269	29	545
As at 31 August 2024	**59**	**8,991**	**2,733**	**255**	**12,038**
Net book value					
As at 31 August 2024	**937**	**902**	**705**	**48**	**2,592**
As at 31 August 2023	899	817	860	72	2,648

Notes to the financial statements for the year ended 31 August 2024 (continued)

10 Investments
(a) Consolidated

	Restricted: Appeal Fund Building projects £'000	Expendable Endowment: Bursary and scholarships Fund £'000	Designated: Advance fees £'000	Total £'000
As at 1 September 2023	10	1,429	793	2,232
Additions	1	433	8,800	9,234
Disposals at opening market value/cost	-	(444)	(228)	(672)
Revaluations	-	147	18	165
As at 31 August 2024	**11**	**1,565**	**9,383**	**10,959**
Listed securities	-	1,535	-	1,535
Cash, gilts and short term deposits	11	30	9,383	9,424
As at 31 August 2024	**11**	**1,565**	**9,383**	**10,959**
Historical cost				
As at 31 August 2024	**11**	**1,266**	**9,316**	**10,593**
As at 31 August 2023	10	1,309	787	2,106
Movement on gains				
Unrealised gains at 1 September 2023	-	260	20	280
Revaluations in year	-	147	18	165
As at 31 August 2024	**-**	**407**	**38**	**445**

All investments are considered to be programme related investments.

The investments are included in the consolidated balance sheet as follows:

	2024 £'000	2023 £'000
Fixed asset investments	**1,535**	2,037
Current asset investments	**9,424**	195
	10,959	2,232

There are no individually material investment holdings.

Notes to the financial statements for the year ended 31 August 2024 (continued)

10 Investments (continued)
(b) School

	Expendable Endowment: Bursary and scholarships Fund £'000	Designated: Advance fees £'000	Total £'000
As at 1 September 2023	1,429	793	2,222
Additions	433	8,800	9,233
Disposals at opening market value/cost	(444)	(228)	(672)
Revaluations	147	18	165
As at 31 August 2024	**1,565**	**9,383**	**10,948**
Listed securities	1,535	-	1,535
Cash, gilts and short term deposits	30	9,383	9,413
As at 31 August 2024	**1,565**	**9,383**	**10,948**
Historical cost			
As at 31 August 2024	**1,266**	**9,316**	**10,582**
As at 31 August 2023	1,309	787	2,096
Movement on gains			
Unrealised gains at 1 September 2023	260	20	280
Revaluations in year	147	18	165
As at 31 August 2024	**407**	**38**	**445**

All investments are considered to be programme related investments.

The investments are included in the School balance sheet as follows:

	2024 £'000	2023 £'000
Fixed asset investments	**1,535**	2,037
Current asset investments	**9,413**	185
	10,948	2,222

There are no individually material investment holdings.

Notes to the financial statements for the year ended 31 August 2024 (continued)

11 Stocks

	Consolidated		School	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Stationery and consumables	**39**	39	**39**	39

There is no significant difference between the replacement cost of stocks and the value stated.

12 Debtors

	Consolidated		School	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Fees	**4,730**	2,375	**4,730**	2,375
Sundry debtors and prepayments	**1,131**	757	**493**	265
Amounts owed by group undertakings (see below)	**-**	-	**29,090**	40,595
	5,861	3,132	**34,313**	43,235

Fees invoiced in advance are shown within creditors (note 13) and amounts not received by the balance sheet date shown above as fee debtors.

	Consolidated		School	
Amounts owed by group	**2024**	2023	**2024**	2023
undertakings: (see above)	**£'000**	£'000	**£'000**	£'000
Due within one year	**-**	-	**27,224**	38,729
Loan due after more than one year	**-**	-	**1,866**	1,866
	-	-	**29,090**	40,595

Interest is payable from the subsidiary, Downe House Trust, on the amount due within one year at the rate of 1% over bank base rate.

Interest is payable from the subsidiary, Downe House Trust, on loan advances due after more than one year in excess of £866,000 at the rate of 1% over bank base rate. No interest is paid on the remaining loan advances due after more than one year of £866,000.

Amounts due from subsidiary undertakings are unsecured, payable on demand and have been treated as a concessionary Loan.

Notes to the financial statements for the year ended 31 August 2024 (continued)

13 Creditors: amounts falling due within one year

	Consolidated		School	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Bank loans and overdrafts	**-**	2,000	**-**	2,000
Trade creditors	**56**	788	**56**	788
Concessionary loans due to subsidiary undertakings	**-**	-	**12,379**	12,379
Amounts owed to group undertakings	**-**	-	**43**	-
Taxation and social security	**20**	85	**-**	52
Other creditors and accruals	**1,030**	655	**837**	611
Refundable deposits	**172**	180	**172**	180
Fees invoiced in advance	**8,498**	8,030	**8,498**	8,030
	9,776	11,738	**21,985**	24,040
Advance fees (note 14)	**4,641**	228	**4,641**	228
	14,417	11,966	**26,626**	24,268

The School had a bank facility of £2.5m which commenced in July 2021 with interest payable at 1.45% over base rate per annum which expired on 31 July 2024. £2.0m of this was drawn down at 31 August 2023. This was repaid in full in June 2024. In April 2024 a new revolving credit facility of £5.0m was put in place with interest payable on amounts borrowed at 2.0% above base rate. This facility is secured by a guarantee of £6.0m given by Downe House Trust. Downe House Trust has given a legal charge over each of the freehold properties of the Trust.

No interest is payable to the subsidiary, Downe House Trust, on the amount due within one year. This amount is treated as a concessionary loan is unsecured, interest free and repayable on demand.

Notes to the financial statements for the year ended 31 August 2024 (continued)

14 Advance fees

Parents may pay to the School up to the equivalent of seven years' tuition fees in advance which is held in a balance of Treasury Stocks and cash deposits as appropriate. Such payments may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming pupils remain in the advance fees payment scheme, payments will be applied to offset fees as follows:

	2024	2023
	£'000	£'000
Consolidated and School		
After 5 years	**628**	-
Within 2 to 5 years	**2,905**	184
Within 1 to 2 years	**3,122**	228
	6,655	412
Within 1 year (note 13)	**4,641**	228
	11,296	640

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

	2024	2023
	£'000	£'000
As at 1 September	640	868
New contracts	12,385	-
Amounts accrued to contracts	(1,501)	-
	11,524	868
Amounts utilised in payment of fees:		
To the School	(228)	(228)
As at 31 August	**11,296**	640

15 Final term deposits

	Consolidated		**School**	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Due between 1 and 2 years	**206**	186	**206**	186
Due in greater than 2 years	**1,328**	1,124	**1,328**	1,124
	1,534	1,310	**1,534**	1,310

Notes to the financial statements for the year ended 31 August 2024 (continued)

16 Analysis of net assets between funds

(a) Consolidated

The net assets are held for the various funds as follows:

	Tangible fixed assets £'000	Investments £'000	Net current assets/(liabilities) £'000	Long term liabilities £'000	2024 Total £'000
Endowed funds	-	1,565	-	-	**1,565**
Restricted funds	1,525	11	478	-	**2,014**
Unrestricted funds	28,319	9,383	(6,022)	(8,409)	**23,271**
	29,844	**10,959**	**(5,544)**	**(8,409)**	**26,850**

	Tangible fixed assets £'000	Investments £'000	Net current assets/(liabilities) £'000	Long term liabilities £'000	2023 Total £'000
Endowed funds	-	1,429	-	-	1,429
Restricted funds	1,602	10	-	-	1,612
Unrestricted funds	28,138	793	(3,292)	(1,958)	23,681
	29,740	2,232	(3,292)	(1,958)	26,722

(b) School

The net assets are held for the various funds as follows:

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long term liabilities £'000	2024 Total £'000
Endowed funds	-	1,565	-	-	**1,565**
Restricted funds	739	-	-	-	**739**
Unrestricted funds	1,853	9,383	8,418	(8,409)	**11,245**
	2,592	**10,948**	**8,418**	**(8,409)**	**13,549**

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long term liabilities £'000	2023 Total £'000
Endowed funds	-	1,429	-	-	1,429
Restricted funds	763	-	-	-	763
Unrestricted funds	1,885	793	23,585	(1,958)	24,305
	2,648	2,222	23,585	(1,958)	26,497

Notes to the financial statements for the year ended 31 August 2024 (continued)

17 Funds

(a) Consolidated

	Total 1 September 2023 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Investment gain £'000	Total 31 August 2024 £'000
Endowed funds (expendable)						
Olive Willis Bursary and Scholarships fund	1,429	26	(37)	-	147	**1,565**
Restricted funds						
Appeal funds (building projects)	1,291	-	(52)	(24)	-	**1,215**
Foundation	321	482	(4)	-	-	**799**
	1,612	482	(56)	(24)	-	**2,014**
Unrestricted funds						
Designated funds						
Advance fees	158	24	-	-	18	**200**
Non-charitable trading Funds	-	1,229	(285)	(944)	-	**-**
Other unrestricted funds						
Retained income	23,523	25,030	(26,450)	968	-	**23,071**
Total unrestricted funds	23,681	26,283	(26,735)	24	18	**23,271**
Total funds	26,722	**26,791**	**(26,828)**	**-**	**165**	**26,850**

Notes to the financial statements for the year ended 31 August 2024 (continued)

17 Funds

(a) Consolidated (continued)

	Total 1 September 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Investment gain/(loss) £'000	Total 31 August 2023 £'000
Endowed funds (expendable)						
Olive Willis Bursary and Scholarships fund	1,448	26	(13)	-	(32)	1,429
Restricted funds						
Appeal funds (building projects)	1,368	-	(53)	(24)	-	1,291
Foundation	234	87	-	-	-	321
	1,602	87	(53)	(24)	-	1,612
Unrestricted funds						
Designated funds						
Advance fees	126	12	-	-	20	158
Non-charitable trading Funds	-	907	(144)	(763)	-	-
Other unrestricted funds						
Retained income	24,659	23,309	(25,232)	787	-	23,523
Total unrestricted funds	24,785	24,228	(25,376)	24	20	23,681
Total funds	27,835	24,341	(25,442)	-	(12)	26,722

The Olive Willis Bursary and Scholarships expendable Endowed fund provides financial assistance by way of bursaries and scholarships to enable daughters of former pupils of Downe House School and others who, in the opinion of the Trustees, are in need of such financial assistance to be educated at the School. Expenditure in the year related to investment management costs only.

The Appeal funds (building projects) represents cumulative donations made to fund the construction of new facilities and the net book value of those facilities.

The Foundation fund represents funds raised by the Downe House Foundation for educational building projects at Downe House School.

The designated Advance fees fund represents amounts set aside to cover any shortfall in the advance fees account (note 14).

Included within total funds is an investment revaluation reserve of £445,000 (2023: £280,000) for the consolidated balance sheet.

Transfers between funds arise on elimination of intra group transactions on consolidation.

Notes to the financial statements for the year ended 31 August 2024 (continued)

17 Funds

(b) School

	Total 1 September 2023 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Investment gain £'000	Total 31 August 2024 £'000
Endowed funds						
Olive Willis Bursary and Scholarships fund	1,429	26	(37)	-	147	**1,565**
Restricted funds						
Appeal fund (building projects)	763	-	-	(24)	-	**739**
Unrestricted funds						
Designated funds						
Advance fees	158	24	-	-	18	**200**
Other unrestricted funds						
Retained income	24,147	24,997	(25,464)	(12,635)	-	**11,045**
Total unrestricted funds	24,305	**25,021**	**(25,464)**	**(12,635)**	**18**	**11,245**
Total funds	26,497	**25,047**	**(25,501)**	**(12,659)**	**165**	**13,549**

Notes to the financial statements for the year ended 31 August 2024 (continued)

17 Funds

(b) School (continued)

	Total 1 September 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Investment gain/(loss) £'000	Total 31 August 2023 £'000
Endowed funds						
Olive Willis Bursary and Scholarships fund	1,448	26	(13)	-	(32)	1,429
Restricted funds						
Appeal fund (building projects)	787	-	-	(24)	-	763
Unrestricted funds						
Designated funds						
Advance fees	126	12	-	-	20	158
Other unrestricted funds						
Retained income	23,166	23,309	(24,263)	1,935	-	24,147
Total unrestricted funds	23,292	23,321	(24,263)	1,935	20	24,305
Total funds	25,527	23,347	(24,276)	1,911	(12)	26,497

Notes to the financial statements for the year ended 31 August 2024 (continued)

18 Financial commitments

Operating leases

At 31 August 2024 the School, and group, had total commitments for items other than land and buildings under non-cancellable operating leases as follows:

	2024 £'000	2023 £'000
Consolidated		
Less than one year	**63**	40
1 to 5 years	**60**	60
Greater than 5 years	**-**	-
	123	100
School		
Less than one year	**62**	39
1 to 5 years	**60**	60
Greater than 5 years	**-**	-
	122	99

19 Trustees

The Trustees do not receive any remuneration. Expenses reimbursed for travelling undertaken on behalf of the School amounted to £719 (2023: £523).

Notes to the financial statements for the year ended 31 August 2024 (continued)

20 Pensions and pension schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS 102, the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £1,312,000 (2023: £1,490,000).

The last valuation of the scheme was as at 31 March 2020. The Government Actuary's Department report of October 2023 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £262.0 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £222.2 billion.

The employer contribution rate is set by the Secretary of State following scheme valuations and from 1 April 2024, the employer contribution rate was increased to 28.68%.

Independent Schools' Pension Scheme

Certain non-academic staff are members of The Independent Schools' Pension Scheme ('ISPS'). This scheme was introduced with effect from 5 September 1996, to which both the School and staff contribute. The Independent Schools' Pension Scheme is an industry-wide, funded defined benefit scheme.

Under definitions set out in FRS102, the ISPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School has accounted for its contributions as if it were a defined contribution scheme.

During the year to 31 August 2024, the school has paid an employer contribution rate of 42.6%. Due to the nature of the scheme, the charge to the statement of financial activities for the year under FRS102 represents the employer contribution payable.

The latest full actuarial valuation of the Scheme was at 30 September 2020. The market value of the Scheme's assets at the valuation date was £201.1m and the value of the liabilities at that date was £256.3m giving a deficit of £55.2m.

The superannuation cost represents contributions payable to the fund and amounted to £47,000 (2023: £49,000).

Notes to the financial statements for the year ended 31 August 2024 (continued)

20 Pensions and pension schemes (continued)

Following consideration of the results of the actuarial valuation in 2020 it was agreed that the shortfall would be dealt with by the payment of deficit contributions of £2.69 million per annum from 1 September 2022 to 30 June 2032. If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit on an ongoing funding basis. The School pays a pro rata proportion of the deficit contributions based on details provided by the ISPS. A provision has been recognised for this obligation of £220,000 (2023 £236,000):

	2024
	£'000
Provision as at 1 September 2023	236
Deficit contribution made	(33)
Increase in provision	17
Provision as at 31 August 2024	**220**

Other pension schemes

Certain academic and non-academic staff are members of the Downe House Staff Pension Schemes, which are defined contribution insured funds administered by private pensions companies to which contributions are paid as they become due.

The superannuation cost represents contributions payable to the funds and amounted to £704,000 (2023: £429,000). The balance of contributions payable at the year-end was £89,000 (2023: £50,000).

21 Subsidiary undertakings

The principal place of business for all subsidiary undertakings is the same as that for Downe House School as noted on page 1.

Downe House School owns the entire share capital of a trading subsidiary undertaking, Downe House School Services Limited, a company registered in England and Wales (2664010) with £2 share capital, called up and fully paid (Note 2).

Downe House School owns the entire £2 share capital of subsidiary Downe House International Limited, a company registered in England and Wales (12232441), which owns the entire £2 share capital of Downe House International (Oman) Limited, also registered in England and Wales (12332320).

Downe House School is the sole corporate Trustee of the Downe House Trust (309091). The trust is managed by the Trustees of the School. The Downe House Trust owns property used by the School for which it received rental payments of £646,000 (2023: £646,000) for the year. The results reported below have been consolidated in the group financial statements after making appropriate intra group adjustments.

Notes to the financial statements for the year ended 31 August 2024 (continued)

21 Subsidiary undertakings (continued)

Downe House Trust	2024 £'000	2023 £'000
Total incoming resources	**647**	646
Total resources expended	**(3,082)**	(2,809)
Net expenditure	**(2,435)**	(2,163)
Advance written off by Downe House School	**15,000**	-
Net movement in funds	**12,565**	(2,163)
Total assets	**40,361**	39,482
Total liabilities	**(28,088)**	(39,774)
Total funds	**12,273**	(292)

Downe House School is the sole member of Downe House Foundation. The Downe House Foundation is managed independently of the School, has a separate board of Trustees and raises funds for educational building projects at Downe House School. The results reported below have been consolidated in the group financial statements after making appropriate intra group adjustments.

Downe House Foundation	2024 £'000	2023 £'000
Total incoming resources	**515**	87
Total resources expended	**(4)**	(7)
Net movement in funds	**511**	80
Total assets	**1,032**	521
Total liabilities	**(4)**	(4)
Total funds	**1,028**	517

As noted on page 2 the Downe House Appeal Fund (2009), charity number 1044896, is dormant with no assets or liabilities.

Notes to the financial statements for the year ended 31 August 2024 (continued)

22 Reconciliation of net income/(expenses) to net cash inflow/(outflow) from operating activities

	2024 £'000	2023 £'000
Net income /(expenses) before transfers	**128**	(1,113)
Depreciation charges	**1,577**	1,509
Loss on disposal of fixed assets	**-**	218
(Gains)/Losses on investments	**(165)**	12
Interest payable	**104**	99
Investment income	**(50)**	(38)
Increase in stocks	**-**	(19)
Increase in debtors	**(2,729)**	(569)
Increase /(Decrease) in creditors	**10,902**	(468)
Net cash inflow /(outflow) from operating activities	**9,767**	(369)

23 Cash flows from investing activities

	2024 £'000	2023 £'000
Investment income	**50**	38
Interest payable	**(104)**	(99)
Purchase of tangible fixed assets	**(1,681)**	(1,530)
Receipts from sale of fixed assets	**-**	243
Purchase of investments	**(9,234)**	(560)
Receipts from sale of investments	**672**	622
Net cash outflow	**(10,297)**	(1,286)

24 Analysis of changes in net funds

	Cash at bank and in hand less overdraft £'000	Loans falling due within one year £'000	Net funds Total £'000
Balance at 1 September 2023	5,503	(2,000)	3,503
Cash flows	(2,530)	2,000	(530)
Balance at 31 August 2024	**2,973**	**-**	**2,973**

Notes to the financial statements for the year ended 31 August 2024 (continued)

25 Reconciliation of net cash flow to movement in net funds

	2024 £'000	2023 £'000
Decrease in cash in the year	(2,530)	(1,155)
Decrease/(increase) in loans in the year	2,000	(500)
Movement in net funds in year	(530)	(1,655)
Net funds at the beginning of the year	3,503	5,158
Net funds at the end of the year	**2,973**	3,503

26 Capital

The School is a company limited by guarantee. Each member has undertaken to contribute £1 to the assets of the company to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 August 2024 was £12 (2023: £13).

27 Related party transactions

Trustees whose children attend the School do not receive any concessions on their fees or disbursement charges as a result of their position as a Trustee. Staff members receive a discount of between 50% and 90% of the basic fees.

The group incurred costs of £153,000 of which £Nil was outstanding at 31 August 2024 (2023: £153,000, £2,000 outstanding) in respect of legal services in the year ended 31 August 2024 to Farrer & Co. solicitors, where Ms VJ Richards is a Consultant.

The group earned income of £310,000 all of which was outstanding at 31 August 2024 (2023: £309,000, all outstanding) in respect of the use of Chateau de Sauveterre by the Prep Schools Trust, where Mrs E McKendrick is Chair of the Trustees.

Trustees donated a total of £300 (2023 £197) during the year.

Notes to the financial statements for the year ended 31 August 2024 (continued)

28 Comparative Statement of Financial activities for the year ended 31 August 2023

	Notes	Unrestricted funds School £'000	Others £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2023 £'000	Total 2022 £'000
INCOMING RESOURCES							
Donations and legacies		-	-	87	-	**87**	18
Other trading activities:							
Trading income		20	907	-	-	**927**	462
Premises hire		24	-	-	-	**24**	21
Income from investments		12	-	-	26	**38**	19
Income from charitable activities:							
School activities		23,265	-	-	-	**23,265**	22,809
Total Income and Endowments		**23,321**	**907**	**87**	**26**	**24,341**	23,329
RESOURCES EXPENDED							
Expenditure on raising funds:							
Trading expenditure	5	-	(136)	-	-	**(136)**	(105)
Governance costs	5	-	(8)	-	-	**(8)**	-
Generating voluntary income	5	(122)	-	-	-	**(122)**	(145)
Expenditure on charitable activities							
School activities	5	(23,865)	(954)	(53)	(13)	**(24,885)**	(22,891)
Governance costs	5	(58)	(15)	-	-	**(73)**	(57)
Other expenditure:							
Loss on disposal of fixed assets		(218)	-	-	-	**(218)**	-
Total expenditure		(24,263)	(1,113)	(53)	(13)	**(25,442)**	(23,198)
NET (EXPENSES) / INCOME BEFORE GAINS / (LOSSES) ON INVESTMENTS		(942)	(206)	34	13	**(1,101)**	131
Net gains/(losses) on investments		20	-	-	(32)	**(12)**	(57)
NET (EXPENSES) / INCOME BEFORE TRANSFERS	4	(922)	(206)	34	(19)	**(1,113)**	74
Transfers between funds	17	1,935	(1,911)	(24)	-	-	-
NET MOVEMENT IN FUNDS		**1,013**	**(2,117)**	**10**	**(19)**	**(1,113)**	74
Total funds brought forward	17	23,292	1,493	1,602	1,448	27,835	27,761
TOTAL FUNDS CARRIED FORWARD	**17**	**24,305**	**(624)**	**1,612**	**1,429**	**26,722**	27,835

DOWNE HOUSE SCHOOL

England & Wales - Charity number 1015059

Accounts

Downe House School

Annual report and financial statements

for the year ended 31 August 2023

Registered Number: 2645228
Registered Charity Number: 1015059

Downe House School

Annual report and financial statements for the year ended 31 August 2023

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Downe House School

Trustees, Officers and Advisors

Trustees, Governors and Directors

		Membership of Committees
Ms AF Hazlitt (Chair of Governors)	BA	All
Mr TM Boucher (Chair of Finance & General Purposes Committee)	BA,FCA	F, ES, N, B
Mr JJ Smith (Chair of Education Committee)	BA, MEd, PGCE	ED, SG, N
Ms VJ Richards (Exelby)	MA	ED, SG
Mrs FM Holmes	BComm	ES, F
Dr C O'Kane	MA, MB BChir, MSc, Dphil	ED
Mr MK Ridley (Chair of Estates Sub-Committee)	BA, MA, MRICS	ES, F, B
Ms EJ Clarke	MInstF(Cert)	ED, B, N
Dr CI Ratnage (Chair of Safeguarding Committee) (due to leave Board November 2023)	MBChB, MRCGP	ED, SG
Ms P Diana		ED, SG
Ms CE Ross		SG, F, N
Ms SK McNair Scott (Chair of Business Development Committee)		B, ES, F
Mr NJD Woods (Appointed 10 November 2022)		F

NB : Key to membership of Committees above is as follows;

Education Committee	ED
Safeguarding Committee	SG
Finance & General Purposes Committee	F
Estates Sub-Committee	ES
Nominations, Governance and Remuneration Committee	N
Business Development Committee	B

Headmistress
Mrs E McKendrick, BA

Secretary
Mr EFP Valletta (Appointed 2 March 2023)

Principal and Registered office
The Bursary
Downe House School
Cold Ash
Thatcham
Berkshire
RG18 9JJ

Independent Auditors
PricewaterhouseCoopers LLP
One Chamberlain Square
Birmingham
B3 3AX

Solicitors
Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Bankers
Lloyds Bank plc
5 Bridge Street
Newbury
Berkshire
RG14 5BQ

Investment advisors
Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

Report of the Trustees and Strategic Report

The Trustees present their annual report and the audited financial statements of the group for the year ended 31 August 2023.

The information with respect to Trustees, Officers and Advisors set out on page 1 forms part of this report. The financial statements comply with the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS 102)" (revised 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

Downe House School ("the School") is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association – company registered number 2645228 and charity registration number 1015059, registered in England.

The School is the sole corporate Trustee of the Downe House Trust, a registered charity, number 309091, established by trust deed on 1 January 1944, which owns the land and buildings from which the School operates.

The School owns Downe House School Services Limited, company registered number 2664010, the trading activities of which include lettings of the School facilities and the provision of goods and services to the parents and pupils of Downe House School and third parties, the taxable profits of which are donated to the School.

On 28 November 2006 the existing Trustees of the Olive Willis Trust resigned and Downe House School became the sole corporate Trustee of the Olive Willis Trust. From that date the Olive Willis Trust became a restricted Bursary and Scholarships fund within Downe House School. Under a Charities Commission Scheme dated 31 July 2011 the Olive Willis Trust Bursary and Scholarships fund became an Expendable Endowment Fund (Note 17).

Under the same scheme Downe House School became the sole Trustee of the Downe House Foundation, charity number 1044896. On 5 June 2014 the name of the Foundation was changed to 'Downe House Appeal Fund (2009)' which has no assets and is dormant. An application was made to establish a new Downe House Foundation in June 2014. The new Downe House Foundation, charity number 1159259, has a separate board of Trustees and is managed independently of the School.

The report and consolidated financial statements for the year ended 31 August 2023 relate to the total activities of the above legal entities.

Related parties

The School's relationship with Downe House School Services Limited, Downe House Trust and Downe House Foundation are disclosed above and that with related parties in note 27.

Connected organisation

There is one connected organisation:

The Downe House Seniors Association facilitates communication amongst former pupils of Downe House School who are members of the Downe House Seniors Association.

Induction and training of Trustees

All new Trustees undertake an induction and training day at the School the content of which depends on the individual's knowledge of the School and professional experience. Trustees are encouraged to attend seminars arranged by AGBIS (Association of Governing Bodies of Independent Schools) and other such bodies.

Report of the Trustees and Strategic Report (continued)

The Trustees, organisational structure and decision making
The Trustees ("the Governing Body") comprise all the directors of the company. Directors are elected at the Annual General Meeting and hold office until the third anniversary of the date of their election when they resign from office but are eligible for re-election up to a total of nine years. The Chair can be elected to serve up to an additional 5 years and the Vice-Chair can be elected to serve up to an additional 3 years.

The Trustees, all of whom served throughout the year to 31 August 2023, except where otherwise disclosed below, are as listed on page 1.

The following Directors were elected at the Annual General Meeting on 24 November 2022

Paola Diana
Sally McNair Scott
Nick Woods

The following Directors were re-elected at the Annual General Meeting on 24 November 2022:

Tim Boucher
Mark Ridley

The following Director resigned at the Board meeting held on 24 November 2022:

Nick Hornby

The strategic direction of the School is set by the Trustees who approve the plans and budgets presented by the Headmistress and management team.

The School takes out Directors' liability insurance with a cover limit of £20 million.

The day to day running of the School is delegated to the Headmistress, the Finance Bursar and the Director of Estates, Property and Services who attend meetings of the committees referred to below as appropriate.

To assist the Trustees in their duties the following committees are established:

Education Committee
The members of this Committee meet at least four times a year to submit reports and recommendations to the Board of Trustees on the following matters:

i. To review and to make recommendations to the Governing Body on any aspect of educational policy, provision and practice delegated by the Board in order to support the work of the Headmistress and her staff.

ii. To review any academic department suggested by the Governing Body and to make proposals concerning its curriculum development, staffing and resources.

iii. To investigate any aspect of staffing policy or any particular staffing issue delegated by the Governing Body and make appropriate recommendations.

iv. To review any aspect of pastoral care of students as delegated by the Governing Body and make appropriate recommendations.

v. To propose to the Governing Body the review of any aspect of the School's educational provision which may arise from the Committee's discussions.

vi. To invite the attendance of Heads of Department, or any relevant member of staff, to an agenda item as advised by the Head and when appropriate.

Report of the Trustees and Strategic Report (continued)

Finance and General Purposes Committee

The members of this Committee meet at least four times per year to submit reports and recommendations to the Board of Trustees on the following matters:

i. To formulate business plans and annual budgets, in accordance with the School's aims and objectives, for consideration by the Board of Trustees and to monitor their execution once approved.

ii. To recommend an annual programme of capital expenditure to the Board of Trustees.

iii. To recommend the level of fees for the forthcoming year to the Board of Trustees.

iv. To determine appropriate financial controls and procedures.

v. To propose policy objectives to the Board of Trustees on:

   a. Charging and fee remissions
   b. Salaries
   c. Bursaries
   d. Contracts
   e. Investments

Estates Sub-Committee

The members of this Sub-Committee meet at least four times per year to submit reports and recommendations to the Board of Trustees and/or the Finance and General Purposes Committee on the following matters:

i. The overall development of the School's buildings and properties.

ii. The planning, design and management of current and future construction projects.

iii. The annual maintenance and improvement programme for the School's buildings, including Health and Safety issues.

iv. Any other buildings or property related matters referred to the Sub-Committee by the Board of Governors or the Finance and General Purposes Committee.

The Nominations, Governance and Remuneration Committee

The members of this Committee meet a minimum of once per year, or when convened by the Chair, to consider nominations to the Board and to have oversight of Governance. The Board of Trustees decides on the need for new appointments based on its succession planning and examination of its effectiveness. The Committee considers candidates for approval by the Board based on specifications such as eligibility, specialist skills, personal competence and availability. The Committee also considers remuneration for the Headmistress having due regard to the need to retain the best staff available and taking due consideration of competitor salary information available in the public domain. Remuneration for other key management personnel is discussed by the Headmistress, Chair and Chair of the Finance and General Purposes Committee.

Report of the Trustees and Strategic Report (continued)

Business Development Committee

The members of this Committee meet a minimum of once per year, or when convened by the Chair, to consider the following matters:

i. Take a lead, from a Governance perspective, on the assessment of material business development opportunities outside the core activity of providing education at Cold Ash.

ii. Ensuring that the Board of Governors remains appropriately informed of potential projects under consideration and their progress. Decision making remains a matter for the Board of Governors, although it may choose to delegate responsibility for execution of a particular project to the Business Development Committee.

Safeguarding and Child Protection

The School is committed to Safeguarding and Protecting all the children in its care. The Designated Safeguarding Lead (DSL) is the Boarding Deputy who is supported by the Deputy Head as Deputy DSL. The Headmistress is also fully trained as a DSL. Staff are trained and updated regularly in Safeguarding and Child Protection matters, as are Governors and all those who would have unsupervised access to pupils. All policies are in place to meet regulatory requirements and give due consideration to West Berkshire Guidance. The appointment of staff, Governors and all other individuals for whom it is necessary, such as contractors and regular taxi drivers, are subject to the appropriate pre-employment checks, for example, Enhanced DBS checks and references.

There are five Board members on the Safeguarding Committee including the current Board Chair. The DSL and Headmistress of the school also sit on the Committee as ex-efficio members.

The committee meets at a minimum termly throughout the academic year to;

iii. agree protocols and procedures that reflect a best practice approach to safeguarding in line with the latest government KCSIE guidelines.

iv. ensure clear accountability and training for those across the school community with responsibility for safeguarding.

v. share learning and casework developments to improve awareness and compliance around safeguarding.

The DSL produces termly reports that are shared with the committee and an abridged version is then shared with the Board.

For details of the members of each of these committees see page 1.

Compliance Framework

The School is committed to ensuring that it complies with all relevant legislation. It is regularly inspected and Governors are updated by the Headmistress and the Senior management team on any changes required to meet statutory obligations throughout the School. These updates are provided termly at Board Meetings.

LOCATION OF THE SCHOOL

Downe House School is situated on a site of 110 acres in the village of Cold Ash in Berkshire. Pupils from the ages of 11 to 18 are educated on the site. The School also owns the Chateau de Sauveterre near Toulouse in France. This site was utilised by the school in the first two terms of the year and welcomed year 7 pupils from a number of Prep Schools Trust schools in the Summer term
A particular emphasis is placed on the development of the boarding facilities as nearly all pupils board at the School full-time. A limited amount of staff housing is also provided in order to support

the strong boarding ethos that exists.

Report of the Trustees and Strategic Report (continued)

OBJECTIVES AND ACTIVITIES

Objects

The objects of Downe House School are:

- to promote and provide for the advancement of education and in connection therewith to conduct and acquire and carry on any boarding or day school for the education of children.

The objects of Downe House Trust are:

- the provision and conduct at or near Cold Ash, near Newbury, of a day or day and boarding school for girls.

The objects of Downe House Foundation are:
- to advance education by the provision of funding, assistance and support to Downe House School.

The objects of Downe House School Services Limited are:

- to carry on business as a general commercial company.

Aims and intended impact

The School exists to provide girls with, and promote, an excellent holistic education. The School is a boarding school for girls from ages 11 to 18. The School aims to promote the development of the individual by enabling girls to strive for the highest academic results of which they are capable. At the same time, they should be able to enjoy the opportunities and support which allow them to develop the personal, social, spiritual and emotional awareness that is the balance to academic excellence and thus prepares them for adult life and work. The financial results facilitate the educational, pastoral and charitable objectives of the School.

Policy and objectives for the year

The main policies and objectives for the year were to:

- Maintain excellent academic standards in the School, be at the forefront of best educational practice and development and prepare students for any appropriate national assessments and public examinations to enable each to succeed according to ability.
- Sustain the highest standards of pastoral care in the School.
- Allow pupils to develop wider interests such as music, sport and extra-curricular activities to ensure a holistic education.
- To demonstrate the full Public Benefit that the School provides.
- Maintain total pupil numbers between 550 and 590 with at least 90% of those being boarding pupils.
- Pursue a financial strategy which enables the aims of the School's Strategic Development Plan to be met.

Report of the Trustees and Strategic Report (continued)

Strategies for achievement of objectives

The School is committed to the recruitment of staff of the highest quality and to their continued training.

The School has appropriate policies in place to ensure that pastoral care is of the highest standard.

Pupils' development of wider interests and the provision of a holistic education is actively encouraged throughout the School.

The School fosters and develops good links with existing parents, prospective parents and feeder schools encouraging them to promote the School. The School is also promoted by actively seeking new areas of recruitment.

Financial objectives and strategy of the School are an integral part of the Strategic Development Plan and are regularly reviewed.

Estate Strategy

A regular review of facilities is undertaken to ensure that they are fit for purpose and will continue to meet the needs of a first-class boarding education for girls and Downe House School's agreed strategic objectives. All stakeholders including pupils, staff, parents, past parents and alumnae have been involved in the formulation of a capital works development programme within the Estate Strategy. This has proved to be very successful and a Centenary Development Plan has been constructed which will lead to improvements in the School's facilities that have been identified as current or future needs. This plan builds on the very successful Ten-Year Plan just completed which included the building of new lower-school boarding houses and the completion of the Murray Centre in 2019. Running alongside the development programme is a schedule of routine works and maintenance. As well as an emphasis on improving boarding and classroom accommodation, the School has also been focusing on developing a robust infrastructure of services to support and sustain current and future needs, for example, to take account of increasing demands of technology and new buildings. It should be noted that ensuring all developments are sustainable and environmentally friendly is a key aim.

Grant Making Policy

Bursaries

The reduction in the monetary value of scholarships noted below means that it will be possible to make increasing provision for means-tested bursaries, including those from the Olive Willis Trust, in order to ensure broad access to the School. Applications for Bursaries are considered by the Headmistress and Director of Finance and Business Enterprise who make recommendations to the Chair of Governors and the Chair of the Finance and General Purposes Committee. Awards are means-tested on the basis of financial information provided by the applicant. To ensure that no section of society is excluded from the School the maximum level of bursary awards is 100% plus extras. This Bursary policy is advertised in the appropriate media and the School also works with the Royal National Children's SpringBoard Foundation to identify suitable candidates. In 2022, the Board of Governors approved funding for two 100% equivalent additional bursaries for day pupils resident in the local community. These Centenary Bursaries are to mark the School's move to its current site in 1922.

Scholarships

Scholarships are awarded by the Headmistress as a result of academic achievement in the scholarship examinations set by the School. From 2019/2020 the financial component of new scholarships was reduced to Nil although those granted before that date may continue. Those gaining Music Scholarships do receive tuition for teaching in up to two individual musical instruments.

Report of the Trustees and Strategic Report (continued)

Public Benefit

Having regard to the general guidance on Public Benefit from the Charity Commission, as set out in section 17 of the Charities Act 2011, the School continues to develop its overall contribution and build partnerships with local schools and organisations, as well as open facilities and events, where possible, to the local community. These developments are in addition to the increased number of means-tested Bursaries.

Community Engagement

Downe House is committed to playing an active part in the local community. To that end, as well as supporting local businesses, the School supports a number of local charities through fundraising activities but also through the girls contributing to the work of local organisations/charities. This can take the form of visiting Care Homes, supporting children who ride at the Riding for the Disabled Charity, supporting children at the respite care Charity, Swings and Smiles, and reading in local primary schools. This will either be done through the Duke of Edinburgh Award scheme or through Downe House's own Community Service scheme. Our musicians play annually for the parishioners at St John's Church in Newbury to raise funds for Christian Aid and also House choirs will visit local residential homes to provide entertainment as requested. The Art Department is also active in providing work for the Royal British Legion each year for their displays in Newbury and at the parish church in Cold Ash, for example. Downe House is currently planning to expand this range of activities and our Head of Co-Curricular Activities is leading this initiative.

Collaboration with local schools takes place through a growing number of initiatives including our Oxbridge Interview evening or, as mentioned above, by opening up appropriate events and lectures, for example, our Classics Day and our Educational Conferences to students and staff from other schools and welcoming members of the local community to plays, concerts and other appropriate events. Some of our staff also act as Governors at local schools and share their expertise.

Bursaries

A means tested bursary scheme, in part funded by the Olive Willis Trust Fund, is in operation potentially remitting up to 100% of fees plus extras from which 32 girls benefited at a cost of £931,000 (2022: 28 girls benefited at a cost of £898,000). The School had 16 pupils on high level bursaries between 75% and 100% plus extras for 2022/2023. For 2023/2024 21 high level bursaries between 75% and 100% of fees plus extras have been awarded.

The Olive Willis Trust Fund principally provides for the advancement of education in connection with the School for the public benefit, in particular, but not limited to, the provision of financial assistance to prospective, current and former pupils of Downe House School who are in need.

Fundraising

Girls are encouraged to raise money for charities as part of their general education. During the past three years over £10,000 has been raised the wide variety of charities supported includes:

Alzheimer's Association
BowelBabe Fund
Charlie Waller Memorial Trust
EDCLUB Movement
Hope & Homes for Children
Operation Smile
Reality Gives
Riding for the Disabled
Royal British Legion
Swings and Smiles
The Bishop of Oxford Outreach Fund

Report of the Trustees and Strategic Report (continued)

Downe House School Services Limited

Downe House School Services Limited's trading activities include lettings of the School's facilities. The Company's major activities are the Global Academy; the rental of the School in Sauveterre; and Summer lets all of which have been successful and contributed significantly to the profits donated to its parent undertaking the details of which are provided in note 2.

Downe House Trust

Downe House Trust provides the 110 acre site and properties used by Downe House School.

Downe House Foundation

Downe House Foundation, charity number 1159259, was established in June 2014. Downe House Foundation is managed independently of the School, has a separate board of Trustees and raises funds for educational building projects at Downe House School. All major fundraising is undertaken by the Downe House Foundation.

Investment Performance

Investment performance is reviewed regularly and investments have performed adequately in the year and in line with set performance.

Leadership team and staff

The Trustees would like to take this opportunity to recognise the hard work and dedication of the Headmistress, leadership team and the teaching, pastoral, operational and support staff of the School during the year.

Employment Policies

Downe House School is committed to recruiting and retaining the highest quality members of staff. To that end it ensures that staff are well rewarded through competitive salary packages and opportunities for career development. Our salary package and terms and conditions are kept under review by the Director of HR and the Director of Finance and Business Enterprise. Opportunities for In-service training (Inset) are provided to all staff and applications for day courses and extended Inset can be made to improve their skills and qualifications. Such applications are reviewed by the Deputy Head, or appropriate line-manager, and assessed against the needs of the School's Strategic Development Plan, the House or Departmental Development Plans and the individual's own performance review. In addition, regular whole-staff and departmental training is provided by the School at the start of each term and regularly throughout the term. The Performance Review System is comprehensive and applies to all staff. It has recently been streamlined and computerised so that it is more effective, efficient and ensures that staff are provided with feedback on all aspects of their role. 360-degree performance reviews are currently being trialled at Leadership Team level.

The School regularly provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the School is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the School plays a major role in maintaining the success of the School. The School encourages the involvement of employees by means of regular departmental meetings, working parties, as well as whole-staff meetings.

The School is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of gender, race, ethnicity, disability, sexual orientation, age or marital status and gives full and fair consideration to applications for employment.

Report of the Trustees and Strategic Report (continued)

STRATEGIC REPORT

Achievements and Performance

Review of 2022/2023

The Public Examination results this year remained very positive, particularly against a national return to 2019 grading and standards. GCSE passes at 4-9 grade (A* to C) or equivalent grades = 99.4% (2022: 99.7%) with 81% being at 7 – 9 grade (2022: 88%) and 59% at 8 – 9 grade (2022: 71%). Pre U / A level passes A* to B or equivalent grades = 85% (2022: 91%).

The range of universities at which pupils achieved places includes Oxford, Cambridge, Bristol, Durham, Edinburgh, Exeter, London, Leeds and Manchester, as well as leading universities across the globe including in the US, Canada and Europe.

With the complete return to the provision of 'normal' in-person education for everyone, no online lessons are now offered as a matter of course. They may be offered to support children who are absent and unwell for significant periods of time or lessons may also be recorded from time to time where a teacher sees this as beneficial for a class.

The return to a completely normal academic year has afforded the School the opportunity to begin to review the curriculum provision and methods of delivery once again. Our new Director of Learning and Research appointed last year has seen the completion of the first cycle of research led by students and staff on a variety of areas. This is being fed back across the School to ensure meaningful outcomes are delivered. In addition, our newly appointed Director of Digital Learning has already started to look at ways in which AI can be embraced to enhance teaching and learning. A number of staff-led Working Groups have also been constituted, including one looking at Outdoor Education, one looking at Literacy and one Neurodiversity. Staff-led INSET sessions have also become routine and this sharing of good practice is both energising and enlightening for everyone. The School seeks to be at the forefront of educational development and practice.

We have continued to build our academic and pastoral partnership with parents through our 'Parenting and Educating in Partnership Programme' that was launched last year. It has been further refined and has once again been very successful in sharing information and expertise with parents on academic and pastoral matters through online talks. The continuation of the delivery of online seminars and lectures post pandemic has meant that many more parents are able to access material and indeed do so. These talks are very often recorded and the take-up of parents watching them at a later stage is high.

Following on from the completion of all our Housemistresses becoming Mental Health First Aid trained last year, our Health Centre staff and Assistant Housemistresses have now had that training too. We continue to develop our use of STEER tracking with Tutors now having access to the information to enable them to support the girls, and older students now also have access to their data in readiness to help them to understand themselves better and so look after themselves more effectively when they leave school. Our anonymous reporting platform for pupils, Whisper, has continued to prove useful in enabling girls to reach out for help or report concerns in a protected way. Our Director of Pupil Wellbeing has taken over the management of Learning for Life (PSHE), as well as responsibility for EDI and has introduced a more formal programme of timetabled Learning for Life lessons in the Sixth Form.

Report of the Trustees and Strategic Report (continued)

EDI (Equity, Diversity and Inclusion) remains an area of focus. A full Race Equality Review was undertaken through Farrer & Co with All-in Education this year and recommendations arose from that which have been very helpful. As a result, a member of staff has now been appointed as our EDI lead and she is consulting with staff and pupils to ensure that we build a strategy that is fit for purpose. Opportunities to discuss racial prejudice, sexual harassment, discrimination generally and inclusion continue to be provided through PSHE and in the Houses. There has also been greater awareness raised through Black History Month, Pride Week and a Neurodiversity Week. Our strategic partnership developed with Radley College, a near-by boys' school, also plays a significant part in helping to explore healthy and respectful relationships with pupils in Year 9 upwards. Chloe Combi, an expert in the field, continues to guide us and analyse the work that we are doing to ensure that it is achieving its aim. This work is being further developed with a partnership being developed with Ludgrove School, a boys' Preparatory School, for years 7 and 8.

Safeguarding the welfare of all our young people remains a key priority for all the adults connected with the School. Appropriate training and checks are in place and the School continues to have a team of Senior Staff trained to level 3 so that the Designated Safeguarding Lead (DSL) has good support. The appointment of an external Safeguarding Adviser who has visited the School regularly (four times this year) has provided very useful feedback following the audit of his work of the Safeguarding Team. He has worked closely with the DSL and also the Safeguarding Governor. From January 2024, it has been decided that to further strengthen the work of the Safeguarding team, the role of Deputy Head Pastoral and DSL will be separated.

The academic life of the School has continued to flourish with the development of the use of technology in teaching continuing. There has been a continuation of the training offered across departments with colleagues supporting one another through a channel in Microsoft Teams and we remain a Microsoft Showcase School. Our programme for our Scholars has been further developed significantly with a larger number of events taking place and students producing magazines for the community where their knowledge, interest and expertise are shared. In particular a new STEM magazine has been launched very successfully. Participation in academic competitions, for example Olympiads, is high and success rates very pleasing. A further Academic Symposium has also taken place with Radley College for our Year 10 and 12 students focused on Science and Debating has been introduced throughout the School and is thriving. We were fortunate to have Lord Strathclyde, former Leader of the House of Lords, judging our first House Debating Competition.

The World Ready Programme, a programme that draws together all the activities that are offered to the students at Downe House to ensure that they are ready to take their place in the world, is now in its second year and continues to be a success. It is a three-part programme with Years 7 and 8 being the World Aware section, Years 9 – 11 being the World Explore section and Years 12 and 13, the World Ready section. It includes at its heart a broad and rich academic curriculum, excellent pastoral support and a varied and challenging co-curricular programme complemented by a range of initiatives to help all students to develop the Downe House DNA (Compassion, Collaboration, Creativity, Resilience, Aspiration, Communication, Outward-looking). This includes, for example, all students having the option to develop leadership skills throughout their time at Downe, all students having the opportunity to do a Mini MBA, run by Hult Ashridge College, the Microsoft Office Specialist qualification, the Ivy House Leadership qualification, Leiths Cookery qualification and much more. After review, we have also added an opportunity to complete a TEFL qualification.

Developing the whole person is at the heart of a Downe House education. Drama and Music have continued to maintain a high profile throughout the year. Productions of 'Grimms Fairy Tales', 'Chicago' and 'Fame', 'Cinderella' and much more all ensured that girls from a variety of ages were able to shine and they were excellent. Our annual House Drama, House Dance and House Gym Competitions all took place and showcased a wonderful range of talent. Founder's Weekend took place with the some of the productions mentioned above forming a key part of the programme. There were also wonderful displays of Art, Textiles, DT and Photography in the Murray Centre. The choirs and some of our instrumentalists and ensembles performed in outstanding concerts at Founder's Weekend, at St John's Church on Newbury and as part of the Newbury Spring Festival. We enjoyed two exceptional Carol Services, one in London and one in Newbury. A Musical Theatre Day and a Dance Day for Prep School and Primary School children respectively were both extremely well attended and enjoyed!

Report of the Trustees and Strategic Report (continued)

In Sport there was activity in every area in the Michaelmas, Lent and Summer terms including Lacrosse, Netball, Hockey, Swimming, Athletics, Cricket, Riding, Tennis, Badminton, Basketball, and Squash with various inter-school competitions and matches being won and many girls being chosen to represent their region or country in lacrosse in particular. Pre-season training is now a strong feature of the preparation for each season and valued by the girls and the staff. A lacrosse training camp for prospective students and students new to the School took place again this year. An excellent Sports Workshop was also run for feeder school children.

The programme for our scholars in each of the other separate disciplines, outside the academic, – Art, Music, Drama and Sport – has continued to flourish and develop and the support which each receives is now well recognised and highly valued by the girls and the staff. We continue to invest in this programme with a selection of speakers, workshops and training/practice taking place each week.

The range of activities offered both at weekends and in the evenings remains a very important part of the life of the School as it enables girls to develop interests and skills and gain experience which will, we hope, help to build their confidence. The girls have enjoyed the programme of trips to the cinema, socials with other schools to a trip to Harry Potter World, Cadbury World, Thorpe Park and so on. Commitment to the Duke of Edinburgh remains strong at Bronze and Gold level as does the commitment to Peer Support and Academic Mentor Programme in the Sixth Form. It has also been very good to reinstate a full programme of overseas trips too, including language, curriculum and sports trips.

Developing global awareness and understanding in our girls also remains a priority and our Global Schools' Exchange Programme always attracts strong interest. In order to continue to build global awareness our Global Ambassador team has arranged a series of celebrations of international festivals which have been representative of the countries from which our girls come. They ran a Global Festivals' Day very successfully too. It is our aim too to have four staff going out on Global Staff Exchanges with the aim of bringing back good practice from around the world. It was a great feat of organisation to also be able to set up a ground-breaking series of Global Internships for members of the LVI. These are often kept as the preserve of universities but the benefit of such opportunities is priceless.

In addition to our education programme, the School's two new franchise campuses opened in September 2022, Downe House Muscat and Downe House, Riyadh have completed successful first years. We are looking forward to developing partnership activities across the three schools and offering opportunities for the pupils and staff to enhance their understanding of this wonderful part of the globe. Our online Global Academic offering enrichment courses in partnership with Elite K-12 in China continues to be successful and grow. Additional income for Downe House in the UK will be generated by all of these projects.

The School continues to use its French campus, Chateau de Sauveterre, near Toulouse in France in order to offer our unique opportunity for the Year 8 girls to spend a term there. It has been very good to see the girls benefiting from this experience both academically and pastorally. An area of focus for next year will be to maximise this asset for income generation.

As well as supporting charities overseas, the School maintains strong links with a number of local charities which it supports and the Upper School Houses have maintained their support of a local UK based charity as well as their link charity overseas. Charities and causes high on our list include Swings and Smiles, the EDCLUB Movement, and Riding for the Disabled, as well as giving support to Ukraine. The Governors also agreed to offer a full Bursary to a Ukrainian refugee student. Individual girls continue to be able to present charities that are particularly meaningful to them or their families in order to raise money through a mufti day at the School.

Report of the Trustees and Strategic Report (continued)

The School continues to welcome more members of the local community into the School, including for concerts, plays, talks, Founder's Weekend, and staff provided an afternoon of projects for the local Primary School including opportunities to use a laboratory, learn coding, Chinese and more. Our Year 9 students also spent a day out working in the community. The astroturf and swimming pool have also been opened for community use.

None of this would be possible without a highly dedicated and professional staff body. We continue to be committed to investing in our staff and regular training opportunities are offered in different areas, from technology to EDI to classroom practice and well-being. As already mentioned, we continue to encourage them to share their considerable expertise with one another too. A comprehensive induction programme is in place for all staff so that they are able to gain a good understanding of the School and have appropriate support.

Investment in our facilities on the School site continues and saw the start of the refurbishment of one of the Sixth Form Houses, Willis, as well as the next phase of classroom refurbishment being undertaken too. A Director of Development was also appointed with a view to starting our fundraising activities for our maths, computing and music development.

Although pupil numbers remain resilient and there is reason to be optimistic about the future, it is important that we are never complacent. The pandemic had a significant impact on the economy and we acknowledge the political and broad financial challenges, particularly the likely imposition of VAT on school fees and loss of Business Rate Relief, that will face the independent education sector and always seek to address these. Of primary importance is that we maintain a high-quality provision of education which we share as widely as possible. In addition, it is key that we contain costs and seek to increase revenue through appropriate diversification in activities. To this end, the Governors decided to consult the staff on a possible exit from the TPS scheme which is underway. We also recognise particularly the challenge of parents wanting to commit to full boarding and therefore we will be increasing the number of our day students to a target 10% and allowing students home at weekends as long as they meet their school commitments.

Financial Review

Investment Powers and Policy

The School has the powers to invest and to delegate these powers to professional investment managers. Those investments which represent the composition of fees fund are held in gilts to facilitate parents who wish to make advanced fee payments. Investments representing the Olive Willis Bursary and Scholarship fund are held primarily in equity-based managed funds to generate capital growth to expand the fund and finance future bursary provision. In order to safeguard assets arising from donations, the assets of the Foundation are held as cash balances. It is considered inappropriate to expose such assets to possible investment risks and losses.

Reserves Policy

The School's tangible assets are all held for use in the School. Note 16 to the financial statements sets out an analysis of the assets attributable to the various funds which constitute the group. These assets are sufficient to meet the group's obligations on a fund by fund basis.

As described in note 16, the Group's reserves are fully represented by investments, tangible fixed assets and associated liabilities. There are no free funds beyond the extent of these assets and commitments. The Trustees consider that the existing level of reserves is appropriate for the needs of the School. This policy is reviewed at least annually.

Funds summary at 31 August (Note 17):
Total funds held £26.7m (2022 £27.8m)
Restricted funds £1.6m (2022 £1.6m)
Endowed funds £1.4m (2022 £1.4m)

Report of the Trustees and Strategic Report (continued)

Financial Results

The results are shown in the financial statements and notes thereto on pages 20 to 48. Fee income, net of bursaries and scholarships was £23.3m (2022: £22.8m). Total resources expended have increased from £23.2m to £25.4m.
Net incoming resources before gains and losses on investments amounted to a £1.1m net expense (2022: £0.1m net incoming resources). There has been a decrease in the Group's positive cash position from £6.7m to £5.5m (note 24)

The activities of Downe House School Services Limited (Note 2), Downe House International (Oman) Limited (Note 2), Downe House Trust (Note 21) and Downe House Foundation (Note 21) contributed significantly to the Consolidated Financial Results.

Principal Key Performance Indicators (KPIs)

The School regularly reviews its performance against an agreed set of KPIs. These include educational (academic and pastoral), financial, operational, marketing and admissions targets, recruitment and retention of staff, as well as targets related to the development and management of the estate and support functions. These targets are reviewed annually by the Board and more regularly by the School's Leadership Team.

Changes in Tangible Assets

The movements in tangible assets during the year are set out in note 9 to the financial statements.

Principal Risks and Uncertainties.

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005), the Trustees have examined the major risks faced by the School and the group. A system of controls has been put in place to monitor and mitigate, where possible, the major risks identified and their impact on the School. Risks are identified and assessed via a risk matrix, mitigation measures and controls. A formal review of the School's risk management process is undertaken on a termly basis. The following key risk areas are considered:

Impact of Covid-19
A material reduction in pupil numbers.
Pastoral Care and Education of Pupils.
Governance & Management.
Material changes in the regulatory environment.
Health & Safety.
The operational gearing of the School, in particular the significant level of fixed costs.

Areas of High Risk

The Key Risks to the School are recorded in a Corporate Governance Risk Assessment Document that is reviewed by the Board of Governors and the Leadership Team termly. Areas of medium and high risk have been identified and strategies for mitigating these put in place. Areas of high risk relate to factors outside the School's immediate control such as an economic downturn or demographic changes and in each case mitigating actions are in place to reduce the potential impact of the risk.

Price and cost risk

The School reviews its fees charged to parents on an annual basis. The fees charged are based on the principles of full cost recovery. These fees are factored into the School's plans and income forecasts. Salary levels are set by reference to prevailing market rates in the Education sector and are communicated to staff each year during the annual salary review process. Other costs are controlled by contract negotiations and competitive tendering with suppliers.

Report of the Trustees and Strategic Report (continued)

Credit risk

Risk on amounts owed to the School by parents is low, as the fees are due at the start of each term, non-payment is followed up early in each term and some fees are paid in advance.

Liquidity risk

The School has no long term borrowings, the current loan facility is due to be repaid by 31 July 2024, and makes use of a short term overdraft facility when required (Note 13).

Interest rate cash flow risk

The School places surplus funds on short term deposit with its bankers. This is deemed to be low risk. The interest rate risk from the short term overdraft facility has been considered and is deemed to be low.

Plans for Future Periods

The School intends to:

- Maintain excellent academic standards in the School, be at the forefront of best educational practice and development and prepare students for any appropriate national assessments and public examinations to enable each to succeed according to ability.
- Sustain the highest standards of pastoral care in the School.
- Allow pupils to develop wider interests such as music, sport and Co-Curricular activities to ensure a holistic education.
- Actively demonstrate the full Public Benefit that the School provides, having regard to the general guidance on Public Benefit from the Charity Commission and where possible enhance that benefit.
- Maintain total pupil numbers between 550 and 590 with at least 90% of those being boarding pupils.
- Pursue a financial strategy which enables the aims of the School's Strategic Development Plan to be met.

Report of the Trustees and Strategic Report (continued)

Statement of Trustees' responsibilities

The Trustees (who are also directors of Downe House School for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on disclosure of information to the auditors

So far as the Trustees are aware:

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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

Report of the Trustees including the Strategic Report signed on behalf of the Board of Trustees on 4 December 2023



T Boucher
Trustee/Director

Downe House School

Independent auditors' report to the members of Downe House School

Report on the audit of the financial statements

Opinion

In our opinion, Downe House School's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2023 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and school balance sheets as at 31 August 2023; the consolidated statement of financial activities, the consolidated summary income and expenditure account, the note of consolidated historical cost profits and losses, and the consolidated cash flow statement for the year then ended and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report and the financial statements other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to Report of the Trustees and Strategic Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Report of the Trustees and Strategic Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Report of the Trustees and Strategic Report, for the period ended 31 August 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Trustees and Strategic Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to employer related legislation, health and safety law and standards imposed by the Independent Schools Inspectorate, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate the financial performance and position of the charity. Audit procedures performed by the engagement team included:

- Reviewing Board minutes and holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Using computer based audit techniques to identify and test higher risk manual journals, in particular those having unusual account combinations;
- Understanding the design and implementation of controls in relation to management override of control;
- Challenging key judgements and estimates; and
- Incorporating unpredictability into the nature, timing and/or extent of our testing.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the parent charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Billingham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
4 December 2023

Downe House School

Consolidated statement of financial activities for the year ended 31 August 2023

	Notes	Unrestricted funds School £'000	Others £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2023 £'000	Total 2022 £'000
INCOMING RESOURCES							
Donations and legacies		-	-	87	-	**87**	18
Other trading activities:							
Trading income		20	907	-	-	**927**	462
Premises hire		24	-	-	-	**24**	21
Income from investments		12	-	-	26	**38**	19
Income from charitable activities:							
School activities		23,265	-	-	-	**23,265**	22,809
Total Income and Endowments		**23,321**	**907**	**87**	**26**	**24,341**	23,329
RESOURCES EXPENDED							
Expenditure on raising funds:							
Trading expenditure	5	-	(136)	-	-	**(136)**	(105)
Governance costs	5	-	(8)	-	-	**(8)**	-
Generating voluntary income	5	(122)	-	-	-	**(122)**	(145)
Expenditure on charitable activities							
School activities	5	(23,865)	(954)	(53)	(13)	**(24,885)**	(22,891)
Governance costs	5	(58)	(15)	-	-	**(73)**	(57)
Other expenditure:							
Loss on disposal of fixed assets		(218)	-	-	-	**(218)**	-
Total expenditure		(24,263)	(1,113)	(53)	(13)	**(25,442)**	(23,198)
NET (EXPENSES) / INCOME BEFORE GAINS / (LOSSES) ON INVESTMENTS		(942)	(206)	34	13	**(1,101)**	131
Net gains/(losses) on investments		20	-	-	(32)	**(12)**	(57)
NET (EXPENSES) / INCOME BEFORE TRANSFERS	4	(922)	(206)	34	(19)	**(1,113)**	74
Transfers between funds	17	1,935	(1,911)	(24)	-	-	-
NET MOVEMENT IN FUNDS		**1,013**	**(2,117)**	**10**	**(19)**	**(1,113)**	74
Total funds brought forward	17	23,292	1,493	1,602	1,448	27,835	27,761
TOTAL FUNDS CARRIED FORWARD	**17**	**24,305**	**(624)**	**1,612**	**1,429**	**26,722**	27,835

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the consolidated statement of financial activities. Included within total funds is an investment revaluation reserve of £292,000 (2022: £292,000) for the consolidated balance sheet.

Consolidated summary income and expenditure account for the year ended 31 August 2023

	Notes	2023 £'000	2022 £'000
Net charitable income		**23,414**	22,867
Less Endowed fund income		**(26)**	(16)
Non-charitable trading income	2	**927**	462
Total income		**24,315**	23,313
Charitable expenditure		**(25,080)**	(23,080)
Add back Endowed fund expenditure		**13**	13
Loss on disposal		**(218)**	-
Non-charitable trading expenditure	2	**(144)**	(105)
Net (expenses)/income before investment asset disposals		**(1,114)**	141
(Loss)/Gain on disposal of fixed asset investments		**(8)**	(41)
Interest payable and similar charges	7	**(99)**	(13)
Interest receivable		**38**	19
(Deficit)/Surplus of income over expenditure		**(1,183)**	106

Reconciliation to Consolidated statement of financial activities

	2023 £'000	2022 £'000
Net (outgoing) / incoming resources before recognised gains & losses	**(1,101)**	131
Loss on disposal of fixed asset investments	**(8)**	(41)
Less net income and expenditure on endowed funds	**13**	3
(Deficit)/Surplus of income over expenditure	**(1,096)**	93

Note of consolidated historical cost profits and losses for the year ended 31 August 2023

	2023 £'000	2022 £'000
Reported (deficit)/surplus of income over expenditure	**(1,096)**	93
Realisation of investment gains of previous years	**(8)**	(41)
Historical (deficit)/surplus on ordinary activities	**(1,104)**	52

Consolidated and School balance sheets as at 31 August 2023

	Notes	Consolidated 2023 £'000	Consolidated 2022 £'000	School 2023 £'000	School 2022 £'000
Fixed assets					
Tangible assets	9	**29,740**	30,180	**2,648**	2,741
Investments	10	**2,037**	2,146	**2,037**	2,146
		31,777	32,326	**4,685**	4,887
Current assets					
Stocks	11	**39**	20	**39**	20
Debtors	12	**3,132**	2,563	**43,235**	39,802
Investments	10	**195**	164	**185**	154
Cash at bank and in hand		**5,503**	6,658	**4,579**	5,793
		8,869	9,405	**48,038**	45,769
Creditors: amounts falling due within one year	13	**(11,966)**	(10,032)	**(24,268)**	(21,265)
Net current (liabilities)/assets		**(3,097)**	(627)	**23,770**	24,504
Total assets less current liabilities		**28,680**	31,699	**28,455**	29,391
Creditors: amounts falling due after more than one year					
Advance fees	15	**(412)**	(640)	**(412)**	(640)
Bank Loans		**-**	(1,500)	**-**	(1,500)
Final term deposits	14	**(1,310)**	(1,175)	**(1,310)**	(1,175)
		(1,722)	(3,315)	**(1,722)**	(3,315)
Pension deficit	20	**(236)**	(549)	**(236)**	(549)
Net assets		**26,722**	27,835	**26,497**	25,527
Represented by:					
Endowed funds	17	**1,429**	1,448	**1,429**	1,448
Restricted funds	17	**1,612**	1,602	**763**	787
Unrestricted funds					
Designated	17	**158**	126	**158**	126
Retained income	17	**23,523**	24,659	**24,147**	23,166
Non-charitable trading funds	17	**-**	-	**-**	-
Total Unrestricted funds		**23,681**	24,785	**24,305**	23,292
Total funds		**26,722**	27,835	**26,497**	25,527

The financial statements on pages 20 to 48 were approved by the Trustees on 4 December 2023 and signed on their behalf by:

T Boucher
Trustee/Director

Consolidated cash flow statement for the year ended 31 August 2023

	Notes	2023 £'000	2022 £'000
Net cash (outflow)/inflow from operating activities	22	**(369)**	3,689
Net cash outflow from investing activities	23	**(1,286)**	(1,824)
Net cash (outflow)/inflow before financing		**(1,655)**	1,865
Net cash inflow from financing activities		**500**	1,000
(Decrease)/Increase in cash in the year	24,25	**(1,155)**	2,865
Cash and cash equivalents at start of year		6,658	3,793
Cash and cash equivalents at end of year		**5,503**	6,658

Notes to the financial statements for the year ended 31 August 2023

1 Principal accounting policies

Downe House School ("the School") is a charitable company limited by guarantee and a UK registered charity governed by its Memorandum and Articles of Association – company registered number 2645228 and charity registration number 1015059. The School is a public benefit entity. The address of its registered office is Downe House School, Cold Ash, Thatcham, Berkshire, RG18 9JJ.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom including Financial Reporting Standard 102 (FRS 102), Companies Act 2006 and the Charities Act 2011. In preparing the financial statements the School has followed best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS 102)" (revised 2015). A summary of the more important accounting policies of the School, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared on a going concern and accruals basis under the historical cost convention modified by the revaluation of fixed and current asset investments. The groups functional and presentational currency is £ sterling. The Directors consider it appropriate to adopt the going concern basis and have not identified any material uncertainties in the period of at least 12 months from the date of approval of the financial statements. After making enquiries the Directors have a reasonable expectation that the group has adequate resources to continue in operation for the foreseeable future.

Basis of consolidation

The financial statements of the School and its subsidiary undertakings (together "the group") include the consolidated financial statements of all the entities to 31 August each year.

The School has taken advantage of the exemption from publishing its own Income and Expenditure account conferred by s408 of the Companies Act 2006. The amount of the surplus or deficit for the year dealt with in the School's financial statements is disclosed in note 17.

Going Concern

The Trustees have reasonable expectation that the group has adequate resources to continue its activities for the foreseeable future. The Trustees expect that the group will continue to meet applicable financial covenants for 2023/24 and that the group will be able to meet its debt repayment obligations as they fall due. Accordingly, the Trustees consider that there are no material uncertainties over the group's financial viability and thus continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 16. The net current liabilities position at the end of the financial year arises mainly due to the classification of the £2.0 million loan facility as a current liability, which will be repaid once new banking facilities are in place.

Fees and similar income

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 allowances, scholarships and other remissions granted by the School.

Fees received in advance of education to be provided in future years under the Advance Fees scheme are held as liabilities until they are either taken to income in the term when utilised or refunded. Any residual balance is transferred to a designated Advance Fees fund once all future fee liabilities have been met.

Notes to the financial statements for the year ended 31 August 2023 (continued)

Donations

All donations are shown in the consolidated statement of financial activities under incoming resources and are accounted for on a receivable basis.

Gains on disposal of fixed assets

On disposal of tangible fixed assets, the profit or loss on disposal is accounted for as the difference between the net sale proceeds and the net carrying amount of the tangible fixed asset. The profit or loss on disposal of tangible fixed assets is recognised in the Statement of Financial Activities for the year in which the disposal occurs.

Trading Income

Turnover represents amounts receivable for goods and services provided, net of VAT and trade discounts. Lettings income and other sundry income is recognised at the time the activity takes place.

Irrecoverable VAT

Any irrecoverable VAT is charged to the consolidated statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Overhead and other costs not directly attributable to particular functional categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to the level of costs in the functional categories.

Expenditure on raising funds includes the total costs attributable to each category from the subsidiary's trading activities and the fundraising costs which are incurred in securing income for the appeal fund.

Governance costs comprise the costs of running the School, including external audit, any legal advice for the Trustees and all the costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are unrestricted funds earmarked by the Trustees for specific projects.

Restricted funds are subject to specific conditions imposed by the donors.

Endowed funds are expendable capital funds where there is power to convert capital into income. Income from endowed funds is added to the relevant endowed fund.

Downe House School

Notes to the financial statements for the year ended 31 August 2023 (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation, at rates calculated to write off the cost, less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose are:

Equipment and furnishings	12.5%	- straight line
Computer equipment	20 %	- straight line
Motor vehicles	25%	- straight line

Freehold land and buildings held on trust are included at cost incurred prior to completion. Land is not depreciated. Buildings are depreciated at rates calculated to write off the cost less their estimated residual values on a straight line basis over the expected useful economic life of each building. The range of annual rates used for this purpose is between 10 and 50 years. Assets with a cost below £1,000 are not capitalised.

Fixed and current asset investments and investment income

Investments, representing quoted securities, are stated in the balance sheet at market value. Any gain or loss on the revaluation of investments is shown on the consolidated statement of financial activities. Investment income is accounted for in the period in which the School and the group is entitled to the income.

Stocks

Stocks of clothing, stationery and consumables are stated at the lower of cost, on a first-in, first-out basis, and net realisable value.

Registration fees

Registration fees placed for prospective pupils are non-refundable and are credited to fees income when received.

Final term deposits

Final term deposits are deposits placed when pupils join the School which are offset against fees and disbursements due for the last term each pupil attends. All deposits are classified as creditors.

Pension costs

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme (TPS) and the Independent Schools' Pension Scheme (ISPS). These are defined benefit schemes, which are externally funded and contracted out of the State Second Pension. Contributions to the TPS and ISPS 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 current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations not less than every four years using a prospective benefit method for the TPS and three yearly valuations using the projected unit method for the ISPS. As stated in Note 20, the TPS and ISPS schemes are both multi-employer schemes and the School is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. The TPS and ISPS schemes are therefore treated as defined contribution schemes and the contributions are recognised as they are paid each year.

In addition, the School pays contributions to the Downe House Staff Pension Schemes, which are defined contribution pension schemes arranged on behalf of individual employees at an agreed percentage of gross salary. The assets of the pension schemes are held separately to those of the School. Contributions payable to the schemes are charged in the statement of financial activities as they fall due as part of the employment costs.

Notes to the financial statements for the year ended 31 August 2023 (continued)

Grants and allowances

Grants and allowances from restricted and unrestricted funds are included as expenditure in the period for which the award is given.

Concessionary Loans

Loans due from the subsidiary, Downe House Trust (note 12) are made to further the charitable purposes of the Group, are repayable on demand and treated as concessionary loans.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors including expectations of future events that are believed to be reasonable in the circumstances. The Directors believe that no critical judgements have been made that affect the financial statements but the following significant estimates have been made.

Depreciation rates have been set following consideration of the expected useful lives of each asset classification and annual review.

Accruals and Prepayments are primarily a reflection of timing differences. Where estimates are required these are based on historic evidence.

2 Trading income

The School owns Downe House School Services Limited, whose trading activities include lettings of the School facilities and the provision of goods and services to the parents and pupils of Downe House School and third parties. It donates its taxable profits to the School. Its results for the year to 31 August were:

	2023	2022
	£'000	£'000
Turnover	**749**	462
Cost of sales	**(98)**	(97)
Gross profit	**651**	365
Administration expenses	**(9)**	(3)
Donation to other registered charities	**-**	(5)
Profit on ordinary activities before taxation	**642**	357
Tax on profit on ordinary activities	**-**	-
Profit for the financial year	**642**	357
Donation to Downe House School	**642**	357

Cost of sales include £23,630 (2022: £21,363) for accommodation services provided by the School.

	2023	2022
	£'000	£'000
Total assets	**735**	428
Total liabilities	**(735)**	(428)
Net assets	**-**	-

Notes to the financial statements for the year ended 31 August 2023 (continued)

2 Trading income (continued)

The School owns Downe House International (Oman) Limited, whose trading activities include issuing licenses to local partners to open Downe House Riyadh and Downe House Muscat. It donates its taxable profits to the School. Its results for the year to 31 August were:

	2023	2022
	£'000	£'000
Turnover	**158**	-
Cost of sales	**(20)**	-
Gross profit	**138**	-
Administration expenses	**(17)**	-
Donation to other registered charities	**-**	-
Profit on ordinary activities before taxation	**121**	-
Tax on profit on ordinary activities	**-**	-
Profit for the financial year	**121**	-
Donation to Downe House School	**121**	-

	2023	2022
	£'000	£'000
Total assets	**121**	-
Total liabilities	**(121)**	-
Net assets	**-**	-

3 Incoming resources from school activities

	2023	2022
	£'000	£'000
Gross fees receivable	**24,090**	23,653
Bursaries, grants and scholarships	**(973)**	(944)
Net fee income	**23,117**	22,709
Registration fees	**148**	100
	23,265	22,809

Notes to the financial statements for the year ended 31 August 2023 (continued)

4 Net (expenses)/income before transfers

	2023 £'000	2022 £'000
Net (expenses)/income before transfers is stated after charging:		
Depreciation on owned assets	**1,509**	1,435
Operating lease rentals – equipment	**51**	30
Auditors' remuneration		
- for audit services, net of vat (School: £50,000 (2022: £33,000))	**58**	40
- vat on audit services	**12**	8
- Other assurance services	**22**	39
- Tax compliance services	**11**	9

Staff costs		
Wages and salaries	**12,233**	11,677
Social security costs	**1,768**	1,554
Pension contributions	**1,868**	1,774
Pension provision release	**(278)**	-
	15,591	15,005

The average number of employees in the year, calculated on a full time equivalent basis, was 310 (2022: 287) of which 139 (2022: 127) were teaching staff.

The number of employees whose emoluments exceeded £60,000 were:

	2023 Number	2022 Number
£60,001 - £70,000	**14**	7
£70,001 - £80,000	**2**	4
£80,001 - £90,000	**3**	3
£90,001 - £100,000	**2**	1
£100,001 - £110,000	**2**	2
£110,001 - £120,000	**-**	1
£130,001 - £140,000	**1**	-
£260,001 - £270,000	**1**	1

21 of the employees above (2022: 15) have pension benefits accruing under defined benefit schemes and 4 (2022: 4) have pension benefits accruing under a defined contribution scheme. The emoluments of the highest paid employee above reflects net employer contributions of 23.68% of salary to the Teachers' Pension scheme which ceased with effect from 1 September 2019 at which time the salary was increased by an amount equivalent to the contributions foregone.

Notes to the financial statements for the year ended 31 August 2023 (continued)

4 Net (expenses)/income before transfers (continued)

Total emoluments for key management personnel during the year were £612,000 (2022 £590,000). With the exception of reimbursed expenses shown in note 19 and related party transactions in note 27, neither the Trustees nor persons connected with them received any remuneration or other benefits from the School or any connected organisation.

5 Analysis of total resources expended

	Staff costs £'000	Depreciation £'000	Other £'000	**Total 2023 £'000**
Expenditure on raising funds:				
Trading expenditure	-	-	136	**136**
Governance costs	-	-	8	**8**
Generating voluntary income	63	-	59	**122**
	63	-	203	**266**
Expenditure on school activities				
Teaching	9,094	257	1,912	**11,263**
Welfare	3,962	126	2,029	**6,117**
Premises	771	1,061	2,344	**4,176**
Support costs for schooling	1,701	65	1,563	**3,329**
	15,528	1,509	7,848	**24,885**
Governance Costs	-	-	73	**73**
Loss on disposal of fixed assets	-	-	218	**218**
Total expenditure	**15,591**	**1,509**	**8,342**	**25,442**

Notes to the financial statements for the year ended 31 August 2023 (continued)

5 Analysis of total resources expended (continued)

	Staff costs £'000	Depreciation £'000	Other £'000	Total 2022 £'000
Expenditure on raising funds:				
Trading expenditure	-	-	105	105
Generating voluntary income	69	-	76	145
	69	-	181	250
Expenditure on school activities				
Teaching	8,437	239	1,571	10,247
Welfare	3,768	117	1,700	5,585
Premises	727	1,018	2,121	3,866
Support costs for schooling	2,004	61	1,128	3,193
	14,936	1,435	6,520	22,891
Governance Costs	-	-	57	57
Total expenditure	**15,005**	**1,435**	**6,758**	23,198

6 Governance costs

	2023 £'000	2022 £'000
Audit	**70**	48
Other	**11**	9
	81	57

7 Interest payable and similar charges

	2023 £'000	2022 £'000
Interest payable and similar charges		
On bank overdraft and other borrowings	**99**	13

Notes to the financial statements for the year ended 31 August 2023 (continued)

8 Taxation

The School and its subsidiary undertakings, Downe House Trust and Downe House Foundation were registered charities throughout the year and, as such, were not liable to corporation tax on the surplus of income over expenditure for the year, nor to capital taxes on gains arising from the disposal of assets.

The School is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

Downe House Foundation and Downe House International (Oman) Limited are not registered for VAT and accordingly, all their expenditure is recorded inclusive of any VAT incurred.

Downe House Trust is registered for VAT and, where applicable, expenditure is recorded net of recoverable VAT.

Downe House School Services Limited is registered for VAT, and consequently all income and expenditure is recorded net of VAT. Downe House School Services Limited gifts all its profits to the School.

9 Tangible assets

	Freehold land & buildings £'000	Equipment & furnishings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
(a) Consolidated					
Cost					
As at 1 September 2022	40,257	9,576	2,858	246	52,937
Additions	872	140	466	52	1,530
Disposals	(609)	-	-	-	(609)
As at 31 August 2023	**40,520**	**9,716**	**3,324**	**298**	**53,858**
Accumulated depreciation					
As at 1 September 2022	11,643	8,685	2,230	199	22,757
Charge for year	1,034	214	234	27	1,509
Disposals	(148)	-	-	-	(148)
As at 31 August 2023	**12,529**	**8,899**	**2,464**	**226**	**24,118**
Net book value					
As at 31 August 2023	**27,991**	**817**	**860**	**72**	**29,740**
As at 31 August 2022	28,614	891	628	47	30,180

Notes to the financial statements for the year ended 31 August 2023 (continued)

9 Tangible assets (continued)

Included within freehold land and buildings is land at a cost of £92,473 (2022: £92,473) which is not depreciated. The Trustees' assessment is that Freehold land & buildings rented by Downe House Trust to Downe House School are being held for the provision of social benefit within the public benefit group and as such have been treated as fixed assets.

At 31st August 2023 the group had committed to spend £Nil on its capital projects in the coming year. (2022: £Nil).

	Freehold land & buildings £'000	Equipment & furnishings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
(b) School					
Cost					
As at 1 September 2022	1,333	9,442	2,858	246	13,879
Additions	213	140	466	52	871
Disposals	(609)	-	-	-	(609)
As at 31 August 2023	**937**	**9,582**	**3,324**	**298**	**14,141**
Accumulated depreciation					
As at 1 September 2022	158	8,551	2,230	199	11,138
Charge for year	28	214	234	27	503
Disposals	(148)	-	-	-	(148)
As at 31 August 2023	**38**	**8,765**	**2,464**	**226**	**11,493**
Net book value					
As at 31 August 2023	**899**	**817**	**860**	**72**	**2,648**
As at 31 August 2022	1,175	891	628	47	2,741

Notes to the financial statements for the year ended 31 August 2023 (continued)

10 Investments
(a) Consolidated

	Restricted: Appeal Fund Building projects £'000	Expendable Endowment: Bursary and scholarships Fund £'000	Designated: Advance fees £'000	Total £'000
As at 1 September 2022	10	1,448	852	2,310
Additions	-	411	149	560
Disposals at opening market value/cost	-	(406)	(228)	(634)
Revaluations	-	(24)	20	(4)
As at 31 August 2023	**10**	**1,429**	**793**	**2,232**
UK Listed securities	-	1,344	693	2,037
Cash and short term deposits	10	85	100	195
	10	**1,429**	**793**	**2,232**
Historical cost				
As at 31 August 2023	**10**	**1,309**	**787**	**2,106**
As at 31 August 2022	10	1,156	852	2,018
Movement on gains				
Unrealised gains at 1 September 2022	-	292	-	292
Less: Disposals in year	-	(8)	-	(8)
	-	284	-	284
Revaluations in year	-	(24)	20	(4)
As at 31 August 2023	**-**	**260**	**20**	**280**

All investments are considered to be programme related investments.
The investments are included in the consolidated balance sheet as follows:

	2023 £'000	2022 £'000
Fixed asset investments	**2,037**	2,146
Current asset investments	**195**	164
	2,232	2,310

There are no individually material investment holdings.

Notes to the financial statements for the year ended 31 August 2023 (continued)

10 Investments (continued)
(b) School

	Expendable Endowment: Bursary and scholarships Fund £'000	Designated: Advance fees £'000	Total £'000
As at 1 September 2022	1,448	852	2,300
Additions	411	149	560
Disposals at opening market value/cost	(406)	(228)	(634)
Revaluations	(24)	20	(4)
As at 31 August 2023	**1,429**	**793**	**2,222**
UK Listed securities	1,344	693	2,037
Cash and short term deposits	85	100	185
	1,429	**793**	**2,222**
Historical cost			
As at 31 August 2023	**1,309**	**787**	**2,096**
As at 31 August 2022	1,156	852	2,008
Movement on gains			
Unrealised gains at 1 September 2022	292	-	292
Less: Disposals in year	(8)	-	(8)
	284	-	284
Revaluations in year	(24)	20	(4)
As at 31 August 2023	**260**	**20**	**280**

All investments are considered to be programme related investments.
The investments are included in the School balance sheet as follows:

	2023 £'000	2022 £'000
Fixed asset investments	**2,037**	2,146
Current asset investments	**185**	154
	2,222	2,300

There are no individually material investment holdings.

Notes to the financial statements for the year ended 31 August 2023 (continued)

11 Stocks

	Consolidated		School	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Stationery and consumables	**39**	20	**39**	20

There is no significant difference between the replacement cost of stocks and the value stated.

12 Debtors

	Consolidated		School	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Fees	**2,375**	2,416	**2,375**	2,416
Sundry debtors and prepayments	**757**	147	**265**	137
Amounts owed by group undertakings (see below)	**-**	-	**40,595**	37,249
	3,132	2,563	**43,235**	39,802

Fees invoiced in advance are shown within creditors (note 13) and amounts not received by the balance sheet date shown above as fee debtors.

	Consolidated		School	
Amounts owed by group	**2023**	2022	**2023**	2022
undertakings: (see above)	**£'000**	£'000	**£'000**	£'000
Due within one year	**-**	-	**38,729**	35,383
Loan due after more than one year	**-**	-	**1,866**	1,866
	-	-	**40,595**	37,249

Interest is payable from the subsidiary, Downe House Trust, on the amount due within one year at the rate of 1% over bank base rate.

Interest is payable from the subsidiary, Downe House Trust, on loan advances due after more than one year in excess of £866,000 at the rate of 1% over bank base rate. No interest is paid on the remaining loan advances due after more than one year of £866,000.

Amounts due from subsidiary undertakings are unsecured, payable on demand and have been treated as a concessionary Loan.

Notes to the financial statements for the year ended 31 August 2023 (continued)

13 Creditors: amounts falling due within one year

	Consolidated		School	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Bank loans and overdrafts	**2,000**	-	**2,000**	-
Trade creditors	**788**	777	**788**	777
Concessionary loans due to subsidiary undertakings	**-**	-	**12,379**	11,733
Taxation and social security	**85**	329	**52**	311
Other creditors and accruals	**655**	907	**611**	425
Refundable deposits	**180**	180	**180**	180
Fees invoiced in advance	**8,030**	7,611	**8,030**	7,611
	11,738	9,804	**24,040**	21,037
Advance fees (note 15)	**228**	228	**228**	228
	11,966	10,032	**24,268**	21,265

The School has a bank facility of £2.5m which commenced in July 2021 with interest payable at 1.45% over base rate per annum expiring on 31 July 2024. Both facilities are secured by a guarantee of £2.5m given by Downe House Trust. Downe House Trust has given a legal charge over each of the freehold properties of the Trust.

No interest is payable to the subsidiary, Downe House Trust, on the amount due within one year. This amount is treated as a concessionary loan is unsecured, interest free and repayable on demand.

14 Final term deposits

	Consolidated		School	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Due between 1 and 2 years	**186**	336	**186**	336
Due in greater than 2 years	**1,124**	839	**1,124**	839
	1,310	1,175	**1,310**	1,175

The creditor arises from the composition of fees fund and retained deposits. Funds are drawn down as they become due. No interest is charged.

Notes to the financial statements for the year ended 31 August 2023 (continued)

15 Advance fees

Parents may pay to the School up to the equivalent of seven years' tuition fees in advance which is held in a balance of Treasury Stocks and cash deposits as appropriate. Such payments may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming pupils remain in the advance fees payment scheme, payments will be applied to offset fees as follows:

	2023	2022
	£'000	£'000
Consolidated and School		
After 5 years	**-**	-
Within 2 to 5 years	**184**	412
Within 1 to 2 years	**228**	228
	412	640
Within 1 year (note 13)	**228**	228
	640	868

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

	£'000
As at 1 September 2022	868
New contracts	-
Amounts accrued to contracts	-
Withdrawal from fund	-
	868
Amounts utilised in payment of fees:	
To the School	(228)
As at 31 August 2023	**640**

Any residual balance is transferred to a designated Advance fees fund once all future fee liabilities have been met.

Notes to the financial statements for the year ended 31 August 2023 (continued)

16 Analysis of net assets between funds

(a) Consolidated

The net assets are held for the various funds as follows:

	Tangible fixed assets £'000	Investments £'000	Net current liabilities £'000	Long term liabilities £'000	**2023 Total £'000**	2022 Total £'000
Endowed funds	-	1,429	-	-	**1,429**	1,448
Restricted funds	1,602	10	-	-	**1,612**	1,602
Unrestricted funds	28,138	793	(3,292)	(1,958)	**23,681**	24,785
	29,740	**2,232**	**(3,292)**	**(1,958)**	**26,722**	27,835

(b) School

The net assets are held for the various funds as follows:

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long term liabilities £'000	**2023 Total £'000**	2022 Total £'000
Endowed funds	-	1,429	-	-	**1,429**	1,448
Restricted funds	763	-	-	-	**763**	787
Unrestricted funds	1,885	793	23,585	(1,958)	**24,305**	23,292
	2,648	**2,222**	**23,585**	**(1,958)**	**26,497**	25,527

Notes to the financial statements for the year ended 31 August 2023 (continued)

17 Funds

(a) Consolidated

	Total 1 September 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Investment gain/(loss) £'000	Total 31 August 2023 £'000
Endowed funds (expendable)						
Olive Willis Bursary and Scholarships fund	1,448	26	(13)	-	(32)	**1,429**
Restricted funds						
Appeal funds (building projects)	1,368	-	(53)	(24)	-	**1,291**
Foundation	234	87	-	-	-	**321**
	1,602	87	(53)	(24)	-	**1,612**
Unrestricted funds						
Designated funds						
Advance fees	126	12	-	-	20	**158**
Non-charitable trading Funds	-	907	(144)	(763)	-	**-**
Other unrestricted funds						
Retained income	24,659	23,309	(25,232)	787	-	**23,523**
Total unrestricted funds	24,785	24,228	(25,376)	24	20	**23,681**
Total funds	27,835	**24,341**	**(25,442)**	**-**	**(12)**	**26,722**

The Olive Willis Bursary and Scholarships expendable Endowed fund provides financial assistance by way of bursaries and scholarships to enable daughters of former pupils of Downe House School and others who, in the opinion of the Trustees, are in need of such financial assistance to be educated at the School. Expenditure in the year related to investment management costs only.

The Appeal funds (building projects) represents cumulative donations made to fund the construction of new facilities and the net book value of those facilities.

The Foundation fund represents funds raised by the Downe House Foundation for educational building projects at Downe House School.

The designated Advance fees fund represents amounts set aside to cover any shortfall in the advance fees account (note 15).

Included within total funds is an investment revaluation reserve of £280,000 (2022: £292,000) for the consolidated balance sheet.

Transfers between funds arise on elimination of intra group transactions on consolidation.

Notes to the financial statements for the year ended 31 August 2023 (continued)

17 Funds

(b) School

	Total 1 September 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Investment gain/(loss) £'000	Total 31 August 2023 £'000
Endowed funds						
Olive Willis Bursary and Scholarships fund	1,448	26	(13)	-	(32)	**1,429**
Restricted funds						
Appeal fund (building projects)	787	-	-	(24)	-	**763**
Unrestricted funds						
Designated funds						
Advance fees	126	12	-	-	20	**158**
Other unrestricted funds						
Retained income	23,166	23,309	(24,263)	1,935	-	**24,147**
Total unrestricted funds	23,292	**23,321**	**(24,263)**	**1,935**	**20**	**24,305**
Total funds	25,527	**23,347**	**(24,276)**	**1,911**	**(12)**	**26,497**

Notes to the financial statements for the year ended 31 August 2023 (continued)

18 Financial commitments

Operating leases

At 31 August 2023 the School, and group, had total commitments for items other than land and buildings under non-cancellable operating leases as follows:

	2023	2022
	£'000	£'000
Consolidated		
Less than one year	**40**	41
1 to 5 years	**60**	68
Greater than 5 years	**-**	-
	100	109
School		
Less than one year	**39**	40
1 to 5 years	**60**	68
Greater than 5 years	**-**	-
	99	108

19 Trustees

The Trustees do not receive any remuneration. Expenses reimbursed for travelling undertaken on behalf of the School amounted to £523 (2022: £543).

Notes to the financial statements for the year ended 31 August 2023 (continued)

20 Pensions and pension schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS 102, the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £1,490,000 (2022: £1,390,000).

The last valuation of the scheme was as at 31 March 2016. The Government Actuary's report of January 2019 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £218.1 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £191.5 billion.

As from 1 April 2015, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate was assessed at 20.4%, and the supplementary contribution rate was assessed to be 5.6% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 26.0%, which translated into an average employee contribution rate of 9.6% and employer contribution rate of 16.4% payable. The cost-sharing agreement also introduced a 10.9% cap on employer contributions payable which were implemented from 1 September 2015.

From 1 September 2020, the employer contribution rate increased to 23.68%. From 1 April 2015, the TPS was reformed, with a different benefit structure for a number of members. These changes have been allowed for in the contribution rate set out above.

Independent Schools' Pension Scheme

Certain non-academic staff are members of The Independent Schools' Pension Scheme ('ISPS'). This scheme was introduced with effect from 5 September 1996, to which both the School and staff contribute. The Independent Schools' Pension Scheme is an industry-wide, funded defined benefit scheme.

Under definitions set out in FRS102, the ISPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School has accounted for its contributions as if it were a defined contribution scheme.

During the year to 31 August 2023, the school has paid an employer contribution rate of 42.6%. Due to the nature of the scheme, the charge to the statement of financial activities for the year under FRS102 represents the employer contribution payable.

The latest full actuarial valuation of the Scheme was at 30 September 2020. The market value of the Scheme's assets at the valuation date was £201.1m and the value of the liabilities at that date was £256.3m giving a deficit of £55.2m.

The superannuation cost represents contributions payable to the fund and amounted to £49,000 (2022: £46,000).

Notes to the financial statements for the year ended 31 August 2023 (continued)

20 Pensions and pension schemes (continued)

Following consideration of the results of the actuarial valuation in 2020 it was agreed that the shortfall would be dealt with by the payment of deficit contributions of £2.69 million per annum from 1 September 2022 to 30 June 2032. If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit on an ongoing funding basis. The School pays a pro rata proportion of the deficit contributions based on details provided by the ISPS. A provision has been recognized for this obligation of £236,000 (2022 £549,000):

	£'000
Provision as at 1 September 2022	549
Deficit contribution made	(35)
Decrease in provision	(278)
Provision as at 31 August 2023	**236**

Other pension schemes

Certain non-academic staff are members of the Downe House Staff Pension Schemes, which are defined contribution insured funds administered by a private pensions company to which contributions are paid as they become due.

The superannuation cost represents contributions payable to the funds and amounted to £429,000 (2022: £338,000). The balance of contributions payable at the year-end was £50,000 (2022: £48,000).

21 Subsidiary undertakings

The principal place of business for all subsidiary undertakings is the same as that for Downe House School as noted on page 1.

Downe House School owns the entire share capital of a trading subsidiary undertaking, Downe House School Services Limited, a company registered in England and Wales (2664010) with £2 share capital, called up and fully paid (Note 2).

Downe House School owns the entire share capital of subsidiary Downe House International Limited, a company registered in England and Wales (12232441), which owns the entire share capital of Downe House International (Oman) Limited, also registered in England and Wales (12332320).

Downe House School is the sole corporate Trustee of the Downe House Trust (309091). The trust is managed by the Trustees of the School. The Downe House Trust owns property used by the School for which it received rental payments of £646,000 (2021: £646,000) for the year. The results reported below have been consolidated in the group financial statements after making appropriate intra group adjustments.

Notes to the financial statements for the year ended 31 August 2023 (continued)

21 Subsidiary undertakings (continued)

Downe House Trust	2023 £'000	2022 £'000
Total incoming resources	**646**	646
Total resources expended	**(2,809)**	(1,545)
Net movement in funds	**(2,163)**	(899)
Total assets	**39,482**	39,184
Total liabilities	**(39,774)**	(37,313)
Total funds	**(292)**	1,871

Downe House School is the sole member of Downe House Foundation. The Downe House Foundation is managed independently of the School, has a separate board of Trustees and raises funds for educational building projects at Downe House School. The results reported below have been consolidated in the group financial statements after making appropriate intra group adjustments.

Downe House Foundation	2023 £'000	2022 £'000
Total incoming resources	**87**	18
Total resources expended	**(7)**	(3)
Net movement in funds	**80**	15
Total assets	**521**	445
Total liabilities	**(4)**	(8)
Total funds	**517**	437

As noted on page 2 the Downe House Appeal Fund (2009), charity number 1044896, is dormant with no assets or liabilities.

Notes to the financial statements for the year ended 31 August 2023 (continued)

22 Reconciliation of net (expenses)/income to net cash (outflow)/inflow from operating activities

	2023 £'000	2022 £'000
Net (expenses)/income before transfers	**(1,113)**	74
Depreciation charges	**1,509**	1,435
Loss on disposal of fixed assets	**218**	-
Losses on investments	**12**	57
Interest payable	**99**	13
Investment income	**(38)**	(19)
(Increase)/Decrease in stocks	**(19)**	-
(Increase)/Decrease in debtors	**(569)**	1,115
(Decrease)/Increase in creditors	**(468)**	1,014
Net cash (outflow)/inflow from operating activities	**(369)**	3,689

23 Cash flows from investing activities

	2023 £'000	2022 £'000
Investment income	**38**	19
Interest payable	**(99)**	(13)
Purchase of tangible fixed assets	**(1,530)**	(1,983)
Receipts from sale of fixed assets	**243**	-
Purchase of investments	**(560)**	(513)
Receipts from sale of investments	**622**	666
Net cash outflow	**(1,286)**	(1,824)

24 Analysis of changes in net funds during the year

	Cash at bank and in hand less overdraft £'000	Total £'000
Balance as at 1 September 2022	6,658	6,658
Cash flows	(1,155)	(1,155)
Balance as at 31 August 2023	**5,503**	**5,503**

Notes to the financial statements for the year ended 31 August 2023 (continued)

25 Reconciliation of net cash flow to movement in net funds

	2023 £'000	2022 £'000
(Decrease)/Increase in cash in the year	(1,155)	2,865
Movement in net funds in year	(1,155)	2,865
Net funds at the beginning of the year	6,658	3,793
Net funds at the end of the year	**5,503**	**6,658**

26 Capital

The School is a company limited by guarantee. Each member has undertaken to contribute £1 to the assets of the company to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 August 2023 was £13 (2022: £13).

27 Related party transactions

Trustees whose children attend the School do not receive any concessions on their fees or disbursement charges as a result of their position as a Trustee. Staff members receive a discount of between 50% and 90% of the basic fees.

The group incurred costs of £153,000 of which £2,000 was outstanding at 31 August 2023 (2022: £79,000, £5,000 outstanding) in respect of legal services in the year ended 31 August 2023 to Farrer & Co. solicitors, where Ms VJ Richards is a Consultant.

The group earned income of £309,000 all of which was outstanding at 31 August 2023 (2022: £125,000, £Nil outstanding) in respect of the use of Chateau de Sauveterre by the Prep Schools Trust, where Mrs E McKendrick is Chair of the Trustees.

Trustees donated a total of £197 (2022 £552) during the year.

Notes to the financial statements for the year ended 31 August 2023 (continued)

28 Comparative Statement of Financial activities for the year ended 31 August 2022

	Notes	Unrestricted funds School £'000	Unrestricted funds Others £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2022 £'000
INCOMING RESOURCES						
Donations and legacies		-	-	18	-	**18**
Other trading activities:						
Trading income		-	462	-	-	**462**
Premises hire		21	-	-	-	**21**
Income from investments		3	-	-	16	**19**
Income from charitable activities:						
School activities		22,809	-	-	-	**22,809**
Other income:						
Gain on disposal of fixed assets		-	-	-	-	**-**
Total Income and Endowments		**22,833**	**462**	**18**	**16**	**23,329**
RESOURCES EXPENDED						
Expenditure on raising funds:						
Trading expenditure	5	-	(105)	-	-	**(105)**
Generating voluntary income	5	(145)	-	-	-	**(145)**
Expenditure on charitable activities						
School activities	5	(21,910)	(916)	(52)	(13)	**(22,891)**
Governance costs	5	(51)	(6)	-	-	**(57)**
Total expenditure		(22,106)	(1,027)	(52)	(13)	**(23,198)**
NET INCOME / (EXPENSES) BEFORE LOSSES ON INVESTMENTS		727	(565)	(34)	3	**131**
Net losses on investments		-	-	-	(57)	**(57)**
NET INCOME / (EXPENSES) BEFORE TRANSFERS	4	727	(565)	(34)	(54)	**74**
Transfers between funds	17	309	(285)	(24)	-	**-**
NET MOVEMENT IN FUNDS		**1,036**	**(850)**	**(58)**	**(54)**	**74**
Total funds brought forward	17	22,256	2,343	1,660	1,502	27,761
TOTAL FUNDS CARRIED FORWARD	**17**	**23,292**	**1,493**	**1,602**	**1,448**	**27,835**

DOWNE HOUSE SCHOOL

England & Wales - Charity number 1015059

Accounts

Downe House School

Annual report and financial statements

for the year ended 31 August 2022

Registered Number: 2645228
Registered Charity Number: 1015059

Downe House School

Annual report and financial statements for the year ended 31 August 2022

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Downe House School

Trustees, Officers and Advisors

Trustees, Governors and Directors		Membership of Committees
Ms AF Hazlitt (Chair of Governors)	BA	SG
Mr NM Hornby (Vice Chair)	BSc	ES, F, N, B
Mr TM Boucher (Chair of Finance & General Purposes Committee)	BA,FCA	ES, F, N, B
Mr JJ Smith (Chair of Education Committee)	BA, MEd, PGCE	ED, N
Ms VJ Exelby	MA	ED, SG, B
Mrs FM Holmes	BComm	ES, F
Dr C O'Kane	MA, MB BChir, MSc, Dphil	ED
Mr MK Ridley (Chair of Estates Sub-Committee)	BA, MA, MRICS	ES, F, B
Ms EJ Clarke	MInstF(Cert)	ED, B
Mrs CI Ratnage (Chair of Safeguarding Committee)	MBChB, MRCGP	ED, SG
Ms P Diana	BSc MA	ED, SG
Ms C Ross		SG, F, N
Ms SK McNair Scott (Chair of Business Development Committee)	LLB (Hons)	B, E, F

NB : Key to membership of Committees above is as follows;

Education Committee	ED
Safeguarding Committee	SG
Finance & General Purposes Committee	F
Estates Sub-Committee	ES
Nominations, Governance and Remuneration Committee	N
Business Development Committee	B

Headmistress
Mrs E McKendrick, BA

Secretary, School Accountant
Mr C Kauntze-Cockburn, FCA

Principal and Registered office
The Bursary
Downe House School
Cold Ash
Thatcham
Berkshire
RG18 9JJ

Independent Auditors
PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

Bankers
Lloyds Bank plc
5 Bridge Street
Newbury
Berkshire
RG14 5BQ

Solicitors
Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Investment advisors
Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

Report of the Trustees and Strategic Report

The Trustees present their annual report and the audited financial statements of the group for the year ended 31 August 2022.

The information with respect to Trustees, Officers and Advisors set out on page 1 forms part of this report. The financial statements comply with the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS 102)" (revised 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

Downe House School ("the School") is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association – company registered number 2645228 and charity registration number 1015059.

The School is the sole corporate Trustee of the Downe House Trust, a registered charity, number 309091, established by trust deed on 1 January 1944, which owns the land and buildings from which the School operates.

The School owns Downe House School Services Limited, company registered number 2664010, the trading activities of which include lettings of the School facilities and the provision of goods and services to the parents and pupils of Downe House School and third parties, the taxable profits of which are donated to the School.

On 28 November 2006 the existing Trustees of the Olive Willis Trust resigned and Downe House School became the sole corporate Trustee of the Olive Willis Trust. From that date the Olive Willis Trust became a restricted Bursary and Scholarships fund within Downe House School. Under a Charities Commission Scheme dated 31 July 2011 the Olive Willis Trust Bursary and Scholarships fund became an Expendable Endowment Fund (Note 17).

Under the same scheme Downe House School became the sole Trustee of the Downe House Foundation, charity number 1044896. On 5 June 2014 the name of the Foundation was changed to 'Downe House Appeal Fund (2009)' which has no assets and is dormant. An application was made to establish a new Downe House Foundation in June 2014. The new Downe House Foundation, charity number 1159259, has a separate board of Trustees and is managed independently of the School.

The report and consolidated financial statements for the year ended 31 August 2022 relate to the total activities of the above legal entities.

Related parties

The School's relationship with Downe House School Services Limited, Downe House Trust and Downe House Foundation are disclosed above and that with related parties in note 27.

Connected organisation

There is one connected organisation:

The Downe House Seniors Association facilitates communication amongst former pupils of Downe House School who are members of the Downe House Seniors Association.

Induction and training of Trustees

All new Trustees undertake an induction and training day at the School the content of which depends on the individual's knowledge of the School and professional experience. Trustees are encouraged to attend seminars arranged by AGBIS (Association of Governing Bodies of Independent Schools) and other such bodies.

The Trustees, organisational structure and decision making

The Trustees ("the Governing Body") comprise all the directors of the company. Directors are elected at the Annual General Meeting and hold office until the third anniversary of the date of their election when they resign from office but are eligible for re-election up to a total of nine years. The Chair can be elected to serve up to an additional 5 years and the Vice-Chair can be elected to serve up to an additional 3 years.

The Trustees, all of whom served throughout the year to 31 August 2022, except where otherwise disclosed below, are as listed on page 1.

The following Directors were re-elected at the Annual General Meeting on 25 November 2021:

Dr C O'Kane
Mrs FM Holmes
Mrs CI Ratnage
Ms EJ Clarke

The following Director resigned at the Board meeting held on 25 November 2021:

Mr M Wippell

It is proposed that the following Directors be re-elected at the Annual General Meeting on 24 November 2022:

Mr M Ridley
Mr T Boucher

The following Director has indicated their intention to resign at the Annual General Meeting held on 24 November 2022:

Mr NM Hornby

The strategic direction of the School is set by the Trustees who approve the plans and budgets presented by the Headmistress and management team.

The School takes out Directors' liability insurance with a cover limit of £20m.

The day to day running of the School is delegated to the Headmistress, the Director of Finance and Business Enterprise and the Director of Estates, Property and Services who attend meetings of the committees referred to below as appropriate.

To assist the Trustees in their duties the following committees are established:

Education Committee

The members of this Committee meet at least four times a year to submit reports and recommendations to the Board of Trustees on the following matters:

i. To review and to make recommendations to the Governing Body on any aspect of educational policy, provision and practice delegated by the Board in order to support the work of the Headmistress and her staff.

ii. To review any academic department suggested by the Governing Body and to make proposals concerning its curriculum development, staffing and resources.

iii. To investigate any aspect of staffing policy or any particular staffing issue delegated by the Governing Body and make appropriate recommendations.

iv. To review any aspect of pastoral care of students as delegated by the Governing Body and make appropriate recommendations.

v. To propose to the Governing Body the review of any aspect of the School's educational provision which may arise from the Committee's discussions.

vi. To invite the attendance of Heads of Department, or any relevant member of staff, to an agenda item as advised by the Head and when appropriate.

Finance and General Purposes Committee

The members of this Committee meet at least four times a year to submit reports and recommendations to the Board of Trustees on the following matters:

i. To formulate business plans and annual budgets, in accordance with the School's aims and objectives, for consideration by the Board of Trustees and to monitor their execution once approved.

ii. To recommend an annual programme of capital expenditure to the Board of Trustees.

iii. To recommend the level of fees for the forthcoming year to the Board of Trustees.

iv. To determine appropriate financial controls and procedures.

v. To propose policy objectives to the Board of Trustees on:

a. Charging and fee remissions
b. Salaries
c. Bursaries
d. Contracts
e. Investments

Estates Sub-Committee

The members of this Sub-Committee meet at least four times a year to submit reports and recommendations to the Board of Trustees and/or the Finance and General Purposes Committee on the following matters:

i. The overall development of the School's buildings and properties.

ii. The planning, design and management of current and future construction projects.

iii. The annual maintenance and improvement programme for the School's buildings, including Health and Safety issues.

iv. Any other buildings or property related matters referred to the Sub-Committee by the Board of Governors or the Finance and General Purposes Committee.

The Nominations, Governance and Remuneration Committee

The members of this Committee meet a minimum of once per year, or when convened by the Chair, to consider nominations to the Board and to have oversight of Governance. The Board of Trustees decides on the need for new appointments based on its succession planning and examination of its effectiveness. The Committee considers candidates for approval by the Board based on specifications such as eligibility, specialist skills, personal competence and availability. The Committee also considers remuneration for the Headmistress having due regard to the need to retain the best staff available and taking due consideration of competitor salary information available in the public domain. Remuneration for other key management personnel is discussed by the Headmistress, Chair and Chair of the Finance and General Purposes Committee.

Business Development Committee

The members of this Committee meet a minimum of once per year, or when convened by the Chair, to consider the following matters:

i. Take a lead, from a Governance perspective, on the assessment of material business development opportunities outside the core activity of providing education at Cold Ash.

ii. Ensuring that the Board of Governors remains appropriately informed of potential projects under consideration and their progress. Decision making remains a matter for the Board of Governors, although it may choose to delegate responsibility for execution of a particular project to the Business Development Committee.

For details of the members of each of these committees see page 1.

Compliance Framework

The School is committed to ensuring that it complies with all relevant legislation. It is regularly inspected and Governors are updated by the Headmistress and the Senior management team on any changes required to meet statutory obligations throughout the School. These updates are provided termly at Board Meetings.

Safeguarding and Child Protection

The School is committed to Safeguarding and Protecting all the children in its care. The Designated Safeguarding Lead (DSL) is the Boarding Deputy who is supported by the Deputy Head as Deputy DSL. The Headmistress is also fully trained as a DSL. Staff are trained and updated regularly in Safeguarding and Child Protection matters, as are Governors and all those who would have unsupervised access to pupils. All policies are in place to meet regulatory requirements and give due consideration to West Berkshire Guidance. The appointment of staff, Governors and all other individuals for whom it is necessary, such as contractors and regular taxi drivers, are subject to the appropriate pre-employment checks, for example, Enhanced DBS checks and references.

LOCATION OF THE SCHOOL

Downe House School is situated on a site of 110 acres in the village of Cold Ash in Berkshire. Pupils from the ages of 11 to 18 are educated on the site. The School also owns Chateau de Sauveterre in France. Pupils in the LIV (Year 8) spend one term there expanding their worldwide knowledge and enhancing their French skills. A particular emphasis is placed on the development of the boarding facilities as nearly all pupils board at the School full-time. A limited amount of staff housing is also provided in order to support the strong boarding ethos that exists.

OBJECTIVES AND ACTIVITIES

Objects

The objects of Downe House School are:

- to promote and provide for the advancement of education and in connection therewith to conduct and acquire and carry on any boarding or day school for the education of children.

The objects of Downe House Trust are:

- the provision and conduct at or near Cold Ash, near Newbury, of a day or day and boarding school for girls.

The objects of Downe House Foundation are:

- to advance education by the provision of funding, assistance and support to Downe House School.

The objects of Downe House School Services Limited are:

- to carry on business as a general commercial company.

Aims and intended impact

The School exists to provide girls with, and promote, an excellent holistic education. The School is a boarding school for girls from ages 11 to 18. The School aims to promote the development of the individual by enabling girls to strive for the highest academic results of which they are capable. At the same time, they should be able to enjoy the opportunities and support which allow them to develop the personal, social, spiritual and emotional awareness that is the balance to academic excellence and thus prepares them for adult life and work. The financial results facilitate the educational, pastoral and charitable objectives of the School.

Policy and objectives for the year

The main policies and objectives for the year were to:

- Maintain excellent academic standards in the School, be at the forefront of best educational practice and development and prepare students for any appropriate national assessments and public examinations to enable each to succeed according to ability.
- Sustain the highest standards of pastoral care in the School.
- Allow pupils to develop wider interests such as music, sport and extra-curricular activities to ensure a holistic education.
- To demonstrate the full Public Benefit that the School provides.
- Maintain total pupil numbers between 550 and 590 with at least 90% of those being boarding pupils.
- Pursue a financial strategy which enables the aims of the School's Strategic Development Plan to be met.

Strategies for achievement of objectives

The School is committed to the recruitment of staff of the highest quality and to their continued training.

The School has appropriate policies in place to ensure that pastoral care is of the highest standard.

Pupils' development of wider interests and the provision of a holistic education is actively encouraged throughout the School.

The School fosters and develops good links with existing parents and feeder schools encouraging them to promote the School. The School is also promoted by actively seeking new areas of recruitment.

Financial objectives and strategy of the School are an integral part of the Strategic Development Plan and are regularly reviewed.

Estate Strategy

A regular review of facilities is undertaken to ensure that they are fit for purpose and will continue to meet the needs of a first-class girls' boarding education and Downe House School's agreed strategic objectives. All stakeholders including pupils, staff, parents, past parents and alumnae have been involved in the formulation of a capital works development programme within the Estate Strategy. This has proved to be very successful and a Ten Year Plan has been developed which will lead to improvements in the School's facilities that have been identified. The first project identified was the lower-school boarding houses which were completed in 2015. The second is the Murray Centre which was completed in 2018. Running alongside the development programme is a schedule of routine works and maintenance. As well as an emphasis on improving boarding accommodation, the School has also been focusing on developing a robust infrastructure of services to support and sustain current and future needs, for example, increasing the available provision of electricity to take account of increasing demands of technology and new buildings.

Grant Making Policy

Bursaries

The reduction in the monetary value of scholarships noted below means that it will be possible to make increasing provision for means-tested bursaries, including those from the Olive Willis Trust, in order to ensure broad access to the School. Applications for Bursaries are considered by the Headmistress and Director of Finance and Business Enterprise who make recommendations to the Chair of Governors and the Chair of the Finance and General Purposes Committee. Awards are means-tested on the basis of financial information provided by the applicant. To ensure that no section of society is excluded from the School the maximum level of bursary awards is 100% plus extras. This Bursary policy is advertised in the appropriate media. The first 100% plus Bursaries were awarded for the academic year commencing September 2011.

Scholarships

Scholarships are awarded by the Headmistress as a result of academic achievement in the scholarship examinations set by the School. From 2018/2019 the upper limit for scholarships, except for music, was reduced to £Nil with an increasing focus on funding bursaries. From 2019/2020 the financial component of new scholarships was reduced to Nil although those granted before that date may continue.

Public Benefit

Having regard to the general guidance on Public Benefit from the Charity Commission, as set out in section 17 of the Charities Act 2011, the School continues to develop its overall contribution in addition to the plans for increasing the number of means-tested Bursaries.

Community Engagement

Downe House is committed to playing an active part in the local community. To that end, as well as supporting local businesses, the School supports a number of local charities through fundraising activities but also through the girls contributing to the work of local organisations/charities. This can take the form of visiting Care Homes, supporting children who ride at the Riding for the Disabled Charity, supporting children at the respite care Charity, Swings and Smiles, and reading in local primary schools. This will either be done through the Duke of Edinburgh Award scheme or through Downe House's own Community Service scheme. Our musicians play annually for the parishioners at St John's Church in Newbury to raise funds for Christian Aid and also House choirs will visit local residential homes to provide entertainment as requested. The Art Department is also active in providing work for the Royal British Legion each year for their displays in Newbury and at the parish church in Cold Ash, for example. Downe House is currently planning to expand this range of activities and our Head of Co-Curricular Activities is leading this initiative.

Collaboration with local schools takes place through our Oxbridge Interview evening or by opening up appropriate events and lectures, for example, our STEM Day, to students from other schools. Some of our staff also act as Governors at local schools and share their expertise.

Bursaries

A means tested bursary scheme, in part funded by the Olive Willis Trust Fund, is in operation potentially remitting up to 100% of fees plus extras from which 28 girls benefited at a cost of £898,000 (2021: 31 girls benefited at a cost of £857,000). The School had 17 pupils on high level bursaries between 75% and 100% plus extras for 2021/2022. For 2022/2023 16 high level bursaries between 75% and 100% of fees plus extras have been awarded.

The Olive Willis Trust Fund principally provides for the advancement of education in connection with the School for the public benefit, in particular, but not limited to, the provision of financial assistance to prospective, current and former pupils of Downe House School who are in need.

Fundraising

Girls are encouraged to raise money for charities as part of their general education. During the past three years over £46,000 has been raised the wide variety of charities supported includes:

Hope & Homes for Children
Hope Asia
Oscar Foundation
Swings and Smiles
Rainbow Trust
West Berkshire Foodbank
Macmillan Cancer Support
Charlie Waller Memorial Trust
Riding for the Disabled

Downe House School Services Limited

Downe House School Services Limited's trading activities include lettings of the School's facilities. The Company's major activities are Summer lets which have been successful and contributed significantly to the profits donated to its parent undertaking the details of which are provided in note 2.

Downe House Trust

Downe House Trust provides the 110 acre site and properties used by Downe House School.

Downe House Foundation

Downe House Foundation, charity number 1159259, was established in June 2014. Downe House Foundation is managed independently of the School, has a separate board of Trustees and raises funds for educational building projects at Downe House School. All major fundraising is undertaken by the Downe House Foundation.

Investment Performance

Investment performance is reviewed regularly and investments have performed adequately in the year and in line with set performance.

Management team and staff

The Trustees would like to take this opportunity to recognise the hard work and dedication of the Headmistress, management team and the teaching, administrative and support staff of the School during the year.

Employment Policies

Downe House School is committed to recruiting and retaining the highest quality members of staff. To that end it ensures that staff are well rewarded through competitive salary packages and opportunities for career development. Our salary package and terms and conditions are kept under review by the Director of HR and the Director of Finance and Business Enterprise. Opportunities for In-service training (Inset) are provided to all staff and applications for day courses and extended Inset can be made to improve their skills and qualifications. Such applications are reviewed by the Staff Development Officer and assessed against the School's Strategic Development Plan, the House or Departmental Development Plans and the individual's own performance review. In addition, regular whole-staff and departmental training is provided by the School at the start of each term and regularly throughout the term. The Performance Review System is comprehensive and applies to all staff. It has recently been streamlined and computerised so that it is more effective, efficient and ensures that staff are provided with feedback on all aspects of their role.

The School regularly provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the School is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the School plays a major role in maintaining the success of the School. The School encourages the involvement of employees by means of regular departmental meetings as well as whole staff meetings.

The School is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The School gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the School. If members of staff become disabled the School continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

STRATEGIC REPORT

Achievements and Performance

Review of 2021/2022

The academic results

GCSE passes at 4-9 grade (A* to C) or equivalent grades = 99.7% with 88.3% being at 7 – 9 grade and 70.8% at 8 – 9 grade. Pre U / A level passes A* to B or equivalent grades = 91.0%.

The range of universities at which pupils achieved places includes Oxford, Cambridge, Bristol, Durham, Edinburgh, Exeter, London, Leeds and Manchester, as well as leading universities across the globe including in the US, Canada and Europe.

With the impact of the pandemic being significantly reduced during the course of the year and the School being open throughout, we have been able to operate and deliver an education which is much more closely aligned to 'normal' times. There has been a need to continue with the provision of hybrid online lessons to support those students who live overseas or who are unwell, but the need for this has also gradually reduced and online lessons will cease to be offered as a matter of course from September 2023.

As School life has returned to normal, it has been very good to review our practices and to see which of those adopted during the pandemic would serve us better in the future and how the needs of our young people have changed. In particular we have continued to build our pastoral provision and the 'Parenting and Educating in Partnership Programme' that was launched this year has been very successful in sharing information and expertise with parents on pastoral matters through online talks. The continuation of the delivery of online seminars and lectures post pandemic has meant that many more parents are able to access material and indeed do so. The option for parents' meetings to take place online has also enabled more parents to meet with staff and been helpful in the support that has therefore been given to the pupils.

All our Housemistresses have become Mental Health First Aid trained and we continue to develop our use of AS tracking, as well as explore other platforms that may help us to understand the mood of our students and where proactive interventions can take place. A new anonymous reporting platform for pupils, Whisper, has also bene introduced and is already proving to be useful. From September 2023, we will have a Director of Pupil Wellbeing who will be ensuring that all the strands of pastoral care work together effectively and are mutually supportive. A more structured PSHE provision has also been planned for introduction into the Sixth Form. Safeguarding the welfare of all our young people remains a key priority for all the adults connected with the School. Appropriate training and checks are in place and the School continues to have a team of Senior Staff trained to level 3 so that the Designated Safeguarding Lead has good support. The appointment of an external Safeguarding Adviser who visits the School regularly (four times a year) and supports and audits the work of the Safeguarding Team as well as provide advice for the Governors' Safeguarding Committee, has proved to be extremely beneficial.

EDI (Equality, Diversity and Inclusion) remains an area of focus. Opportunities to discuss racial prejudice, sexual harassment, discrimination generally and inclusion have been provided through PSHE and in the Houses. There has also been greater awareness raised through Black History Month, Pride Week and a Neurodiversity Week. In-depth work with Radley College, a near-by boys' school, is also being undertaken with the aim of encouraging respectful relationships. Chloe Combi, an expert in the field, is guiding us and analysing the work that we are doing to ensure that it is achieving its aim. The School also ran a cross-school conference entitled, 'Raising Respect' to consider ways in which we can support our young people to build and develop healthy relationships. In September 2023 it is planned that we will have a Racial Equality Review to ensure that we are meeting our ambition of being a place where every individual thrives.

The academic life of the School has continued to flourish with the development of the use of technology in teaching continuing. There has been a continuation of the training offered across departments with colleagues supporting one another through a channel in Microsoft Teams and we remain a Microsoft Showcase School. Our programme for our Scholars has been further developed significantly with a larger number of events taking place and students producing magazines for the community where their knowledge, interest and expertise are shared. In particular a new STEM magazine has been launched very successfully. Participation in academic competitions, for example Olympiads, is high and success rates very pleasing. A new Director of Learning and Research has been appointed and he is working on encouraging both teacher and student-led research through the School. It is in its initial stages of development but early indicators show high levels of interest and engagement. An inaugural Academic Symposium has also taken place with Radley College for our Year 10 and 12 students focused on Humanities.

The first year of the World Ready Programme, a programme that draws together all the activities that are offered to the students at Downe House to ensure that they are ready to take their place in the world, has been a success. It is a three-part programme with Years 7 and 8 being the World Aware section, Years 9 – 11 being the World Explore section and Years 12 and 13, the World Ready section. It includes at its heart a broad and rich academic curriculum, excellent pastoral support and a varied and challenging co-curricular programme complemented by a range of initiatives to help all students to develop the Downe House DNA (Compassion, Collaboration, Creativity, Resilience, Aspiration, Communication, Outward-looking). This includes, for example, all students having the option to develop leadership skills throughout their time at Downe, all students having the opportunity to do a Mini MBA, run by Hult Ashridge College, the Microsoft Office Specialist qualification and much more. After review, we are also adding in a practical cookery course open to all members of the School so that they understand not just the techniques of effective cooking but also have a good understanding of nutrition and food safety.

Developing the whole person is at the heart of a Downe House education. Drama and Music have continued to maintain a high profile throughout the year. Productions of 'Lord of the Flies', 'Abba, The Party' and 'The Lion King', 'Moving Memories' and 'The Nutcracker' (dance) all ensured that girls from a variety of ages were able to shine and they were excellent. Our House Drama competition took place again, albeit in a slightly different format, giving all girls the opportunity to perform; the House Dance and Gym Competition was reinstated but in a different form and House Music was a triumph! Founder's Weekend took place with the some of the productions mentioned above forming a key part of the programme. There were also wonderful displays of Art, Textiles, DT and Photography in the Murray Centre. The choirs and some of our instrumentalists and ensembles performed in outstanding concerts at Founder's Weekend and we enjoyed two exceptional Carol

Services, one in London and one in Newbury.

In Sport there was activity in every area in the Michaelmas, Lent and Summer terms including Lacrosse, Netball, Hockey, Swimming, Athletics, Cricket, Riding, Tennis, Badminton, Basketball, and Squash with various inter-school competitions and matches being won and many girls being chosen to represent their region or country in lacrosse in particular. Pre-season training is now a strong feature of the preparation for each season and valued by the girls and the staff. A lacrosse training camp for prospective students and students new to the School will take place again this year. An excellent Sports Workshop was also run for feeder school children.

The programme for our scholars in each of the other separate disciplines, outside the academic, – Art, Music, Drama and Sport – has continued to flourish and develop and the support which each receives is now well recognised and highly valued by the girls and the staff. We continue to invest in this programme with a selection of speakers, workshops and training/practice taking place each week.

The range of activities offered both at weekends and in the evenings remains a very important part of the life of the School as it enables girls to develop interests and skills and gain experience which will, we hope, help to build their confidence. The girls have enjoyed being able to go on trips again and these have included everything from trips to the cinema, socials with other schools to a trip to Harry Potter World, Cadbury's World, Thorpe Park and so on. Commitment to the Duke of Edinburgh remains strong at Bronze and Gold level as does the commitment to Peer Support and Academic Mentor Programme in the Sixth Form.

Developing global awareness and understanding in our girls also remains a priority and our Global Schools' Exchange Programme has restarted and attracted strong interest. In order to continue to build global awareness our Global Ambassador team has arranged a series of celebrations of international festivals which have been representative of the countries from which our girls come. They ran a Global Festivals' Day very successfully too. It is our aim too to have four staff going out on Global Staff Exchanges with the aim of bringing back good practice from around the world.

In addition to our education programme, the School has opened two new campuses in September 2022, Downe House Muscat and Downe House, Riyadh. We are looking forward to sharing our Downe House education more broadly and offering opportunities for the pupils and staff to enhance their understanding of this wonderful part of the globe. An online Global Academic has also been launched with enrichment courses being provided in partnership with Elite K-12 in China. Additional income for Downe House in the UK will be generated by all of these projects.

The School has purchased Chateau de Sauveterre, near Toulouse in France in order to be able to continue to offer our unique opportunity for the Year 8 girls to spend a term there. It was able to open in March 2022 and it has been wonderful to see girls going out and benefiting from the experience. Next year, it is our hope that the girls will be able to enjoy a full term there.

As well as supporting charities overseas, the School maintains strong links with a number of local charities which it supports and the Upper School Houses have maintained their support of a local UK based charity as well as their link charity overseas. The range of charities includes, Swings and Smiles, Jo's Trust and Riding for the Disabled as examples. Supporting the local Food Bank at Harvest Festival time as well as giving support to Ukraine have been causes high on our list. Individual girls continue to be able to present charities that are particularly meaningful to them or their families in order to raise money through a mufti day at the School.

The end of restrictions has also enabled us to welcome more members of the local community into the School. This year marks the Centenary of the School moving from its original home in Kent to Cold Ash in Berkshire in April 2022. It has therefore felt very appropriate to engage more proactively with the local community and we were delighted to support their Jubilee Celebrations, welcome many to join us for Founder's Weekend, provide an afternoon of projects for the local Primary School including opportunities to use a laboratory, learn coding, Chinese and more. Our Year 9 students also spent a day out working in the community.

None of this would be possible without a highly committed and professional staff body. We continue to be committed to investing in our staff and regular training opportunities are offered in different areas, from technology to EDI to classroom practice and well-being. We continue to encourage them to share their considerable expertise with one another too. A comprehensive induction programme

is in place for all staff so that they are able to gain a good understanding of the School and have appropriate support.

Investment in our facilities on the School site continues and this year will see the completion of the second phase of refurbishment of AGN, one of the Upper School Boarding Houses, the start of the refurbishment of one of the Sixth Form Houses, Willis, as well as some classroom refurbishment being undertaken too. The aim will shortly be to plan for larger projects and to begin fundraising again.

Although pupil numbers remain strong and there is reason to be optimistic about the future, it is important that we are never complacent. The pandemic has had a significant impact on the economy and we acknowledge the political and broad financial challenges that will face the education sector and always seek to address these. Of primary importance is that we maintain a high-quality provision of education which we share as widely as possible. We recognise particularly the challenge of parents wanting to commit to full boarding and therefore we will be increasing the number of our day students to a target 10% and allowing students home at weekends as long as they meet their school commitments.

Financial Review

Investment Powers and Policy

The School has the powers to invest and to delegate these powers to professional investment managers. Those investments which represent the composition of fees fund are held in gilts to facilitate parents who wish to make advanced fee payments. Investments representing the Olive Willis Bursary and Scholarship fund are held primarily in equity-based managed funds to generate capital growth to expand the fund and finance future bursary provision. In order to safeguard assets arising from donations, the assets of the Foundation are held as cash balances. It is considered inappropriate to expose such assets to possible investment risks and losses.

Reserves Policy

The School's tangible assets are all held for use in the School. Note 16 to the financial statements sets out an analysis of the assets attributable to the various funds which constitute the group. These assets are sufficient to meet the group's obligations on a fund by fund basis.

As described in note 16, the School's reserves are fully represented by investments, tangible fixed assets and associated liabilities. There are no free funds beyond the extent of these assets and commitments. The Trustees consider that the existing level of reserves is appropriate for the needs of the School. This policy is reviewed at least annually.

Funds summary at 31 August (Note 17):
Total funds held £27.8m (2021 £27.7m)
Restricted funds £1.6m (2021 £1.6m)
Endowed funds £1.4m (2021 £1.5m)

Financial Results

The results are shown in the financial statements and notes thereto on pages 19 to 46. Fee income, net of bursaries and scholarships, exceeded £22.8m (2021: £20.8m). Total resources expended have increased from £20.7m to £23.2m.
Net incoming resources before gains and losses on investments amounted to £0.1m (2021: £0.3m net incoming resources). There has been an improvement in the positive cash position from £3.8m to £6.6m (note 24)

The activities of Downe House School Services Limited (Note 2), Downe House Trust (Note 21) and Downe House Foundation (Note 21) contributed significantly to the Consolidated Financial Results.

Principal Key Performance Indicators (KPIs)

The School regularly reviews its performance against an agreed set of KPIs. These include educational (academic and pastoral), financial, operational, marketing and admissions targets, recruitment and retention of staff, as well as targets related to the development and management of the estate and support functions. These targets are reviewed annually by the Board and more regularly by the School's Leadership Team.

Changes in Tangible Assets

The movements in tangible assets during the year are set out in note 9 to the financial statements.

Principal Risks and Uncertainties.

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005), the Trustees have examined the major risks faced by the School and the group. A system of controls has been put in place to monitor and mitigate, where possible, the major risks identified and their impact on the School. Risks are identified and assessed via a risk matrix, mitigation measures and controls. A formal review of the School's risk management process is undertaken on a termly basis. The following key risk areas are considered:

A material reduction in pupil numbers.
Pastoral Care and Education of Pupils.
Governance & Management.
Material changes in the regulatory environment.
Health & Safety.
The operational gearing of the School, in particular the significant level of fixed costs.

Areas of High Risk

The Key Risks to the School are recorded in a Corporate Governance Risk Assessment Document that is reviewed by the Board of Governors and the Leadership Team termly. Areas of medium and high risk have been identified and strategies for mitigating these put in place. Areas of high risk relate to factors outside the School's immediate control such as an economic downturn or demographic changes and in each case mitigating actions are in place to reduce the potential impact of the risk.

Price and cost risk

The School reviews its fees charged to parents on an annual basis. The fees charged are based on the principles of full cost recovery. These fees are factored into the School's plans and income forecasts. Salary levels are set by reference to prevailing market rates in the Education sector and are communicated to staff each year during the annual salary review process. Other costs are controlled by contract negotiations and competitive tendering with suppliers.

Credit risk

Risk on amounts owed to the School by parents is low, as the fees are due at the start of each term, non-payment is followed up early in each term and some fees are paid in advance.

Liquidity risk

The School has no long term borrowings, and makes use of a short term overdraft facility when required (Note 13).

Interest rate cash flow risk

The School places surplus funds on short term deposit with its bankers. This is deemed to be low risk. The interest rate risk from the short term overdraft facility has been considered and is deemed to be low.

Plans for Future Periods

The School intends to:

- Maintain excellent academic standards in the School, be at the forefront of best educational practice and development and prepare students for any appropriate national assessments and public examinations to enable each to succeed according to ability.
- Sustain the highest standards of pastoral care in the School.
- Allow pupils to develop wider interests such as music, sport and Co-Curricular activities to ensure a holistic education.
- Actively demonstrate the full Public Benefit that the School provides, having regard to the general guidance on Public Benefit from the Charity Commission and where possible enhance that benefit.
- Maintain total pupil numbers between 550 and 590 with at least 90% of those being boarding pupils.
- Pursue a financial strategy which enables the aims of the School's Strategic Development Plan to be met.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Downe House School for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on disclosure of information to the auditors

So far as the Trustees are aware:

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

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

Report of the Trustees including the Strategic Report signed on behalf of the Board of Trustees on 24 November 2022



T Boucher
Trustee/Director

Independent auditors' report to the members of Downe House School

Report on the audit of the financial statements

Opinion

In our opinion, Downe House School's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2022 and of the group's incoming resources and application of resources, including its income and expenditure, and the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the consolidated and school balance sheets as at 31 August 2022; the consolidated statement of financial activities, the consolidated summary income and expenditure account, the note of consolidated historical cost profits and losses, and the consolidated cash flow statement for the year then ended and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report and financial statements other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Report of the Trustees and Strategic Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Report of the Trustees and Strategic Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and Report of the Trustees and Strategic Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Report of the Trustees and Strategic Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and charitable company, we identified that the principal risks of non-compliance with laws and regulations related to those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate the financial performance and position of the charity. Audit procedures performed included:

- Reviewing Board minutes and holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Using computer based audit techniques to identify and test higher risk manual journals, in particular those having unusual account combinations;
- Challenging the assumptions used by the charity and group when considering its ability to continue as a going concern, with enhanced procedures considered for COVID-19; and
- Obtaining third party confirmations of all the group and parent charity's banking and financing arrangements.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom

this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

24th November 2022

Consolidated statement of financial activities for the year ended 31 August 2022

	Notes	Unrestricted funds School £'000	Unrestricted funds Others £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2022 £'000	Total 2021 £'000
INCOMING RESOURCES							
Donations and legacies		-	-	18	-	**18**	110
Other trading activities:							
Trading income		-	462	-	-	**462**	40
Premises hire		21	-	-	-	**21**	-
Income from investments		3	-	-	16	**19**	14
Income from charitable activities:							
School activities		22,809	-	-	-	**22,809**	20,834
Other income:							
Gain on disposal of fixed assets		-	-	-	-	**-**	1
Total Income and Endowments		**22,833**	**462**	**18**	**16**	**23,329**	20,999
RESOURCES EXPENDED							
Expenditure on raising funds:							
Trading expenditure	5	-	105	-	-	**105**	14
Generating voluntary income	5	145	-	-	-	**145**	211
Expenditure on charitable activities							
School activities	5	21,910	916	52	13	**22,891**	20,398
Governance costs	5	51	6	-	-	**57**	50
Total expenditure		22,106	1,027	52	13	**23,198**	20,673
NET INCOME / (EXPENSE) BEFORE (LOSSES) / GAINS ON INVESTMENTS		727	(565)	(34)	3	**131**	326
Net (losses) / gains on investments		-	-	-	(57)	**(57)**	188
NET INCOME / (EXPENSE) BEFORE TRANSFERS	4	727	(565)	(34)	(54)	**74**	514
Transfers between funds	17	309	(285)	(24)	-	**-**	-
NET MOVEMENT IN FUNDS		**1,036**	**(850)**	**(58)**	**(54)**	**74**	514
Total funds brought forward	17	22,256	2,343	1,660	1,502	27,761	27,247
TOTAL FUNDS CARRIED FORWARD	**17**	**23,292**	**1,493**	**1,602**	**1,448**	**27,835**	27,761

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the consolidated statement of financial activities. Included within total funds is an investment revaluation reserve of £292,000 (2021: £349,000).

Consolidated summary income and expenditure account for the year ended 31 August 2022

	Notes	2022 £'000	2021 £'000
Net charitable income		**22,867**	20,958
Less Endowed fund income		**(16)**	(42)
Gain on disposal		**-**	1
Non-charitable trading income	2	**462**	40
Total income		**23,313**	20,957
Charitable expenditure		**(23,080)**	(20,659)
Add back Endowed fund expenditure		**13**	12
Non-charitable trading expenditure	2	**(105)**	(14)
Net income before investment asset disposals		**141**	296
(Loss) on disposal of fixed asset investments		**(41)**	(2)
Interest payable and similar charges	7	**(13)**	-
Interest receivable		**19**	-
Surplus of income over expenditure		**106**	294

Reconciliation to Consolidated statement of financial activities

	2022 £'000	2021 £'000
Net incoming resources before recognised gains & losses	**131**	326
(Loss) on disposal of fixed asset investments	**(41)**	(2)
Less net income and expenditure on endowed funds	**3**	(30)
Surplus of income over expenditure	**93**	294

Note of consolidated historical cost profits and losses for the year ended 31 August 2022

	2022 £'000	2021 £'000
Reported surplus of income over expenditure	**93**	294
Realisation of investment gains of previous years	**(41)**	(2)
Historical surplus on ordinary activities	**52**	292

Balance Sheets as at 31 August 2022

	Notes	Consolidated 2022 £'000	Consolidated 2021 £'000	School 2022 £'000	School 2021 £'000
Fixed assets					
Tangible assets	9	**30,180**	29,632	**2,741**	2,490
Investments	10	**2,146**	2,207	**2,146**	2,207
		32,326	31,839	**4,887**	4,697
Current assets					
Stocks	11	**20**	19	**20**	19
Debtors	12	**2,563**	3,678	**39,802**	39,159
Investments	10	**164**	329	**154**	319
Cash at bank and in hand		**6,658**	3,793	**5,793**	3,333
		9,405	7,819	**45,769**	42,830
Creditors: amounts falling due within one year	13	**(10,032)**	(9,018)	**(21,265)**	(20,079)
Net current (liabilities) / assets		**(627)**	(1,199)	**24,504**	22,751
Total assets less current liabilities		**31,699**	30,640	**29,391**	27,448
Creditors: amounts falling due after more than one year					
Advance fees	15	**(640)**	(728)	**(640)**	(728)
Bank Loans	13	**(1,500)**	(500)	**(1,500)**	(500)
Final term deposits	14	**(1,175)**	(1,102)	**(1,175)**	(1,102)
		(3,315)	(2,330)	**(3,315)**	(2,330)
Pension deficit	20	**(549)**	(549)	**(549)**	(549)
Net assets		**27,835**	27,761	**25,527**	24,569
Represented by:					
Endowed funds	17	**1,448**	1,502	**1,448**	1,502
Restricted funds	17	**1,602**	1,660	**787**	811
Unrestricted funds					
Designated	17	**126**	125	**126**	125
Retained income	17	**24,659**	24,474	**23,166**	22,131
Non-charitable trading funds	17	**-**	-	**-**	-
Total Unrestricted funds		**24,785**	24,599	**23,292**	22,256
Total funds		**27,835**	27,761	**25,527**	24,569

The financial statements on pages 19 to 46 were approved by the Trustees on 24 November 2022 and signed on their behalf by:

T Boucher
Trustee/Director

Consolidated cash flow statement for the year ended 31 August 2022

	Notes	2022 £'000	2021 £'000
Net cash inflow from operating activities	22	**3,689**	1,895
Net cash outflow from investing activities	23	**(1,824)**	(1,698)
Net cash inflow before financing		**1,865**	197
Net cash inflow from financing activities		**1,000**	500
Increase in cash in the year	24,25	**2,865**	697

Notes to the financial statements for the year ended 31 August 2022

1 Principal accounting policies

Downe House School ("the School") is a charitable company limited by guarantee and a UK registered charity governed by its Memorandum and Articles of Association – company registered number 2645228 and charity registration number 1015059. The School is a public benefit entity. The address of its registered office is The Bursary, Downe House School, Cold Ash, Thatcham, Berkshire, RG18 9JJ.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom including Financial Reporting Standard 102 (FRS 102), Companies Act 2006 and the Charities Act 2011. In preparing the financial statements the School has followed best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS 102)" (revised 2015). A summary of the more important accounting policies of the School, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared on a going concern and accruals basis under the historical cost convention modified by the revaluation of fixed and current asset investments. The groups functional and presentational currency is £ sterling. The Directors consider it appropriate to adopt the going concern basis and have not identified any material uncertainties in the period of at least 12 months from the date of approval of the financial statements. After making enquiries the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future.

Basis of consolidation

The financial statements of the group include the financial statements of the School and its subsidiary undertakings to 31 August each year.

The School has taken advantage of the exemption from publishing its own Income and Expenditure account conferred by s408 of the Companies Act 2006. The amount of the surplus or deficit for the year dealt with in the School's financial statements is disclosed in note 17.

Fees and similar income

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 allowances, scholarships and other remissions granted by the School.

Fees received in advance of education to be provided in future years under the Advance Fees scheme are held as liabilities until they are either taken to income in the term when utilised or refunded. Any residual balance is transferred to a designated Advance Fees fund once all future fee liabilities have been met.

Donations

All donations are shown in the consolidated statement of financial activities under incoming resources and are accounted for on a receivable basis.

Gains on disposal of fixed assets

On disposal of tangible fixed assets, the profit or loss on disposal is accounted for as the difference between the net sale proceeds and the net carrying amount of the tangible fixed asset. The profit or loss on disposal of tangible fixed assets is recognised in the Statement of Financial Activities for the year in which the disposal occurs.

Trading Income

Turnover represents amounts receivable for goods and services provided, net of VAT and trade discounts. Lettings income and other sundry income is recognised at the time the activity takes place.

Irrecoverable VAT

Any irrecoverable VAT is charged to the consolidated statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Overhead and other costs not directly attributable to particular functional categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to the level of costs in the functional categories.

Expenditure on raising funds includes the total costs attributable to each category from the subsidiary's trading activities and the fundraising costs which are incurred in securing income for the Foundation.

Governance costs comprise the costs of running the School, including external audit, any legal advice for the Trustees and all the costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are unrestricted funds earmarked by the Trustees for specific projects.

Restricted funds are subject to specific conditions imposed by the donors.

Endowed funds are expendable capital funds where there is power to convert capital into income. Income from endowed funds is added to the relevant endowed fund.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation, at rates calculated to write off the cost, less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose are:

Equipment and furnishings	12.5%	- straight line
Computer equipment	20 %	- straight line
Motor vehicles	25%	- straight line

Land and buildings held on trust are included at cost incurred prior to completion. Land is not depreciated. Buildings are depreciated at rates calculated to write off the cost less their estimated residual values on a straight line basis over the expected useful economic life of each building. The range of annual rates used for this purpose is between 10 and 50 years. Assets with a cost below £1,000 are not capitalised.

Fixed and current asset investments and investment income

Investments, representing quoted securities, are stated in the balance sheet at market value. Any gain or loss on the revaluation of investments is shown on the consolidated statement of financial activities. Investment income is accounted for in the period in which the School and the group is entitled to the income.

Stocks

Stocks of clothing, stationery and consumables are stated at the lower of cost, on a first-in, first-out basis, and net realisable value.

Registration fees

Registration fees placed for prospective pupils are non-refundable and are credited to fees income when received.

Final term deposits

Final term deposits are deposits placed when pupils join the School which are offset against fees and disbursements due for the last term each pupil attends. All deposits are classified as creditors.

Pension costs

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme (TPS) and the Independent Schools' Pension Scheme (ISPS). These are defined benefit schemes, which are externally funded and contracted out of the State Second Pension. Contributions to the TPS and ISPS 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 current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations not less than every four years using a prospective benefit method for the TPS and three yearly valuations using the projected unit method for the ISPS. As stated in Note 20, the TPS and ISPS schemes are both multi-employer schemes and the School is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. The TPS and ISPS schemes are therefore treated as defined contribution schemes and the contributions are recognised as they are paid each year.

In addition, the School pays contributions to the Downe House Staff Pension Schemes, which are defined contribution pension schemes arranged on behalf of individual employees at an agreed percentage of gross salary. The assets of the pension schemes are held separately to those of the School. Contributions payable to the schemes are charged in the statement of financial activities as they fall due as part of the employment costs.

Grants and allowances

Grants and allowances from restricted and unrestricted funds are included as expenditure in the period for which the award is given.

Concessionary Loans

Loans due from the subsidiary, Downe House Trust (note 12) are made to further the charitable purposes of the Group, are repayable on demand and treated as concessionary loans.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors including expectations of future events that are believed to be reasonable in the circumstances. The Directors believe that no critical judgements have been made that affect the financial statements but the following significant estimates have been made.

Depreciation rates have been set following consideration of the expected useful lives of each asset classification and annual review.

Accruals and Prepayments are primarily a reflection of timing differences.

2 Trading income

The School owns Downe House School Services Limited, whose trading activities include lettings of the School facilities and the provision of goods and services to the parents and pupils of Downe House School and third parties. It donates its taxable profits to the School. Its results for the year to 31 August were:

	2022	2021
	£'000	£'000
Turnover	**462**	40
Cost of sales	**(97)**	(9)
Gross profit	**365**	31
Administration expenses	**(3)**	(5)
Donation to other registered charities	**(5)**	-
Profit on ordinary activities before taxation	**357**	26
Tax on profit on ordinary activities	**-**	-
Profit for the financial year	**357**	26
Donation to Downe House School	**357**	26

Cost of sales include £21,363 (2021: £Nil) for accommodation services provided by the School.

	2022	2021
	£'000	£'000
Total assets	**428**	45
Total liabilities	**(428)**	(45)
Net assets	**-**	-

3 Incoming resources from school activities

	2022	2021
	£'000	£'000
Gross fees receivable	**23,653**	21,664
Bursaries, grants and scholarships	**(944)**	(915)
Net fee income	**22,709**	20,749
Registration fees	**100**	85
	22,809	20,834

4 Net income/(expense) before transfers

	2022 £'000	2021 £'000
Net income/(expense) before transfers is stated after charging:		
Depreciation on owned assets	**1,435**	1,384
Operating lease rentals – equipment	**30**	27
Auditors' remuneration		
- for audit services, net of vat (School: £33,000 (2021: £28,000))	**40**	35
- vat on audit services	**8**	7
- Other assurance services	**39**	9
- Tax compliance services	**9**	8

Staff costs		
Wages and salaries	**11,677**	10,879
Social security costs	**1,554**	1,221
Pension contributions	**1,774**	1,715
	15,005	13,815

The average number of employees in the year, calculated on a full time equivalent basis, was 287 (2021: 285) of which 127 (2021: 126) were teaching staff.

The number of employees whose emoluments exceeded £60,000 were:

	2022 Number	2021 Number
£60,001 - £70,000	**7**	8
£70,001 - £80,000	**4**	6
£80,001 - £90,000	**3**	3
£90,001 - £100,000	**1**	1
£100,001 - £110,000	**2**	2
£110,001 - £120,000	**1**	-
£260,001 - £270,000	**1**	1

15 of the employees above (2021: 13) have pension benefits accruing under defined benefit schemes and 4 (2021: 7) have pension benefits accruing under a defined contribution scheme.

The emoluments of the highest paid employee above reflects net employer contributions of 16.48% of salary to the Teachers' Pension scheme which ceased with effect from 1 September 2019 at which time the salary was increased by an amount equivalent to the contributions foregone.

Total emoluments for key management personnel during the year were £590,000 (2021 £537,000). With the exception of reimbursed expenses shown in note 19 and related party transactions in note 27, neither the Trustees nor persons connected with them received any remuneration or other benefits from the School or any connected organisation.

5 Analysis of total resources expended

	Staff costs £'000	Depreciation £'000	Other £'000	Total 2022 £'000	Total 2021 £'000
Expenditure on raising funds:					
Trading expenditure	-	-	105	**105**	14
Generating voluntary income	69	-	76	**145**	211
	69	-	181	**250**	225
Expenditure on school activities					
Teaching	8,437	239	1,571	**10,247**	9,091
Welfare	3,768	117	1,700	**5,585**	5,117
Premises	727	1,018	2,121	**3,866**	3,536
Support costs for schooling	2,004	61	1,128	**3,193**	2,654
	14,936	1,435	6,520	**22,891**	20,398
Governance Costs	-	-	57	**57**	50
Total expenditure	**15,005**	**1,435**	**6,758**	**23,198**	20,673

6 Governance costs

	2022 £'000	2021 £'000
Audit	48	42
Other	9	8
	57	50

7 Interest payable and similar charges

	2022 £'000	2021 £'000
Interest payable and similar charges		
On bank overdraft and other borrowings	13	-

8 Taxation

The School and its subsidiary undertakings, Downe House Trust and Downe House Foundation were registered charities throughout the year and, as such, were not liable to corporation tax on the surplus of income over expenditure for the year, nor to capital taxes on gains arising from the disposal of assets.

The School is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

Downe House Foundation is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

Downe House Trust is registered for VAT and, where applicable, expenditure is recorded net of recoverable VAT.

Downe House School Services Limited is registered for VAT, and consequently all income and expenditure is recorded net of VAT. Downe House School Services Limited gifts all its profits to the School.

9 Tangible assets

	Freehold land & buildings £'000	Equipment & furnishings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
(a) Consolidated					
Cost					
As at 1 September 2021	38,915	9,277	2,529	233	50,954
Additions	1,342	299	329	13	1,983
Disposals	-	-	-	-	-
As at 31 August 2022	**40,257**	**9,576**	**2,858**	**246**	**52,937**
Accumulated depreciation					
As at 1 September 2021	10,648	8,475	2,022	177	21,322
Charge for year	995	210	208	22	1,435
Disposals	-	-	-	-	-
As at 31 August 2022	**11,643**	**8,685**	**2,230**	**199**	**22,757**
Net book value					
As at 31 August 2022	**28,614**	**891**	**628**	**47**	**30,180**
As at 31 August 2021	28,267	802	507	56	29,632

Included within freehold land and buildings is land at a cost of £92,473 (2021: £92,473) which is not depreciated. The Trustees' assessment is that Freehold land & buildings rented by Downe House Trust to Downe House School are being held for the provision of social benefit within the public benefit group and as such have been treated as fixed assets.

At 31st August 2022 the group had committed to spend £Nil on its capital projects in the coming year. (2021: £Nil).

9 Tangible assets (continued)

	Freehold land & buildings £'000	Equipment & furnishings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
(b) School					
Cost					
As at 1 September 2021	1,255	9,143	2,529	233	13,160
Additions	78	299	329	13	719
Disposals	-	-	-	-	-
As at 31 August 2022	**1,333**	**9,442**	**2,858**	**246**	**13,879**
Accumulated depreciation					
As at 1 September 2021	130	8,341	2,022	177	10,670
Charge for year	28	210	208	22	468
Disposals	-	-	-	-	-
As at 31 August 2022	**158**	**8,551**	**2,230**	**199**	**11,138**
Net book value					
As at 31 August 2022	**1,175**	**891**	**628**	**47**	**2,741**
As at 31 August 2021	1,125	802	507	56	2,490

10 Investments
(a) Consolidated

	Restricted: Appeal Fund Building projects £'000	Expendable Endowment: Bursary and scholarships Fund £'000	Designated: Advance fees £'000	Total £'000
As at 1 September 2021	10	1,502	1,024	2,536
Additions	-	513	-	513
Disposals at opening market value/cost	-	(551)	(172)	(723)
Revaluations	-	(16)	-	(16)
As at 31 August 2022	**10**	**1,448**	**852**	**2,310**
UK Listed securities	-	1,398	748	2,146
Cash and short term deposits	10	50	104	164
	10	**1,448**	**852**	**2,310**
Historical cost				
As at 31 August 2022	**10**	**1,156**	**852**	**2,018**
As at 31 August 2021	10	1,153	1,024	2,187
Movement on gains				
Unrealised gains at 1 September 2021	-	349	-	349
Less: Disposals in year	-	(41)	-	(41)
	-	308	-	308
Revaluations in year	-	(16)	-	(16)
As at 31 August 2022	**-**	**292**	**-**	**292**

The investments are included in the consolidated balance sheet as follows:

	2022 £'000	2021 £'000
Fixed asset investments	**2,146**	2,207
Current asset investments	**164**	329
	2,310	2,536

There are no individually material investment holdings.

10 Investments (continued)
(b) School

	Expendable Endowment: Bursary and scholarships Fund £'000	Designated: Advance fees £'000	Total £'000
As at 1 September 2021	1,502	1,024	2,526
Additions	513	-	513
Disposals at opening market value/cost	(551)	(172)	(723)
Revaluations	(16)	-	(16)
As at 31 August 2022	**1,448**	**852**	**2,300**
UK Listed securities	1,398	748	2,146
Cash and short term deposits	50	104	154
	1,448	**852**	**2,300**
Historical cost			
As at 31 August 2022	**1,156**	**852**	**2,008**
As at 31 August 2021	1,153	1,024	2,177
Movement on gains			
Unrealised gains at 1 September 2021	349	-	349
Less: Disposals in year	(41)	-	(41)
	308	-	308
Revaluations in year	(16)	-	(16)
As at 31 August 2022	**292**	**-**	**292**

The investments are included in the School balance sheet as follows:

	2022 £'000	2021 £'000
Fixed asset investments	**2,146**	2,207
Current asset investments	**154**	319
	2,300	2,526

There are no individually material investment holdings.

11 Stocks

	Consolidated		School	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Stationery and consumables	**20**	19	**20**	19

There is no significant difference between the replacement cost of stocks and the value stated.

12 Debtors

	Consolidated		School	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Fees	**2,416**	3,553	**2,416**	3,553
Sundry debtors and prepayments	**147**	125	**137**	112
Amounts due from subsidiary undertakings (see below)	**-**	-	**37,249**	37,360
	2,563	3,678	**39,802**	39,159

Fees invoiced in advance are shown within creditors (note 13) and amounts not received by the balance sheet date shown above as fee debtors.

	Consolidated		School	
Amounts due from subsidiary undertakings: (see above)	**2022** **£'000**	2021 £'000	**2022** **£'000**	2021 £'000
Due within one year	**-**	-	**35,383**	35,494
Loan due after more than one year	**-**	-	**1,866**	1,866
	-	-	**37,249**	37,360

Interest is payable from the subsidiary, Downe House Trust, on the amount due within one year at the rate of 1% over bank base rate.

Interest is payable from the subsidiary, Downe House Trust, on loan advances due after more than one year in excess of £866,000 at the rate of 1% over bank base rate. No interest is paid on the remaining loan advances due after more than one year of £866,000.

Amounts due from subsidiary undertakings are unsecured, payable on demand and have been treated as a concessionary Loan.

13 Creditors: amounts falling due within one year

	Consolidated		School	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Bank loans and overdrafts	**-**	-	**-**	-
Trade creditors	**777**	401	**777**	401
Concessionary loans due to subsidiary undertakings	**-**	-	**11,733**	11,087
Taxation and social security	**329**	289	**311**	288
Other creditors and accruals	**907**	479	**425**	454
Refundable deposits	**180**	173	**180**	173
Fees invoiced in advance	**7,611**	7,501	**7,611**	7,501
	9,804	8,843	**21,037**	19,904
Advance fees (note 15)	**228**	175	**228**	175
	10,032	9,018	**21,265**	20,079

The School has a bank facility of £2.5m which commenced in July 2021 with interest payable at 1.45% over base rate per annum expiring on 31 July 2024. The facility is secured by a guarantee of £2.5m given by Downe House Trust. Downe House Trust has given a legal charge over each of the freehold properties of the Trust.

No interest is payable to the subsidiary, Downe House Trust, on the amount due within one year. This amount is treated as a concessionary loan is unsecured, interest free and repayable on demand.

14 Final term deposits more than one year

	Consolidated		School	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Due between 1 and 2 years	**336**	181	**336**	181
Due in greater than 2 years	**839**	921	**839**	921
	1,175	1,102	**1,175**	1,102

The creditor arises from the composition of fees fund and retained deposits. Funds are drawn down as they become due. No interest is charged.

15 Advance fees

Parents may pay to the School up to the equivalent of seven years' tuition fees in advance which is held in a balance of Treasury Stocks and cash deposits as appropriate. Such payments may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming pupils remain in the advance fees payment scheme, payments will be applied to offset fees as follows:

	2022	2021
	£'000	£'000
Consolidated and School		
After 5 years	**-**	48
Within 2 to 5 years	**412**	499
Within 1 to 2 years	**228**	181
	640	728
Within 1 year (note 13)	**228**	175
	868	903

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

	£'000
As at 1 September 2021	903
New contracts	138
Amounts accrued to contracts	2
Withdrawal from fund	-
	1,043
Amounts utilised in payment of fees:	
To the School	(175)
As at 31 August 2022	**868**

Any residual balance is transferred to a designated Advance fees fund once all future fee liabilities have been met.

16 Analysis of net assets between funds

(a) Consolidated

The net assets are held for the various funds as follows:

	Tangible fixed assets £'000	Investments £'000	Net current liabilities £'000	Long term liabilities £'000	Total £'000
Endowed funds	-	1,448	-	-	1,448
Restricted funds	1,592	10	-	-	1,602
Unrestricted funds	28,588	852	(791)	(3,864)	24,785
	30,180	**2,310**	**(791)**	**(3,864)**	**27,835**

(b) School

The net assets are held for the various funds as follows:

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long term liabilities £'000	Total £'000
Endowed funds	-	1,448	-	-	1,448
Restricted funds	787	-	-	-	787
Unrestricted funds	1,954	852	24,350	(3,864)	23,292
	2,741	**2,300**	**24,350**	**(3,864)**	**25,527**

17 Funds

(a) Consolidated

	Total 1 September 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Investment loss £'000	Total 31 August 2022 £'000
Endowed funds (expendable)						
Olive Willis Bursary and Scholarships fund	1,502	16	(13)	-	(57)	**1,448**
	1,502	16	(13)	-	(57)	**1,448**
Restricted funds						
Appeal funds (building projects)	1,444	-	(52)	(24)	-	**1,368**
Foundation	216	18	-	-	-	**234**
	1,660	18	(52)	(24)	-	**1,602**
Unrestricted funds						
Designated funds						
Advance fees	125	3	(2)	-	-	**126**
Non-charitable trading Funds	-	462	(105)	(357)	-	**-**
Other unrestricted funds						
Retained income	24,474	22,830	(23,026)	381	-	**24,659**
Total unrestricted funds	24,599	23,295	(23,133)	24	-	**24,785**
Total funds	27,761	**23,329**	**(23,198)**	**-**	**(57)**	**27,835**

The Olive Willis Bursary and Scholarships expendable Endowed fund provides financial assistance by way of bursaries and scholarships to enable daughters of former pupils of Downe House School and others who, in the opinion of the Trustees, are in need of such financial assistance to be educated at the School. Expenditure in the year related to investment management costs only.

The Appeal funds (building projects) represents cumulative donations made to fund the construction of new facilities and the net book value of those facilities.

The Foundation fund represents funds raised by the Downe House Foundation for educational building projects at Downe House School.

The designated Advance fees fund represents amounts set aside to cover any shortfall in the advance fees account (note 15).

Included within total funds is an investment revaluation reserve of £292,000 (2021: £349,000).

Transfers between funds arise on elimination of intra group transactions on consolidation.

17 Funds

(b) School

	Total 1 September 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Investment loss £'000	Total 31 August 2022 £'000
Endowed funds						
Olive Willis Bursary and Scholarships fund	1,502	16	(13)	-	(57)	**1,448**
	1,502	16	(13)	-	(57)	**1,448**
Restricted funds						
Appeal fund (building projects)	811	-	-	(24)	-	**787**
	811	-	-	(24)	-	**787**
Unrestricted funds						
Designated funds						
Advance fees	125	3	(2)	-	-	**126**
Other unrestricted funds						
Retained income/(expense)	22,131	22,830	(22,104)	309	-	**23,166**
Total funds	24,569	**22,849**	**(22,119)**	**285**	**(57)**	25,527

18 Financial commitments

Operating leases

At 31 August 2022 the School, and group, had total commitments for items other than land and buildings under non-cancellable operating leases as follows:

	2022 £'000	2021 £'000
Consolidated		
Less than one year	**41**	27
1 to 5 years	**68**	38
Greater than 5 years	**-**	-
	109	65
School		
Less than one year	**40**	26
1 to 5 years	**68**	38
Greater than 5 years	**-**	-
	108	64

19 Trustees

The Trustees do not receive any remuneration. Expenses reimbursed for travelling undertaken on behalf of the School amounted to £543 (2021: £485).

20 Pensions and pension schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS 102, the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £1,390,000 (2021: £1,340,000).

The last valuation of the scheme was as at 31 March 2016. The Government Actuary's report of January 2019 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £218.1 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £191.5 billion.

As from 1 April 2015, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate was assessed at 20.4%, and the supplementary contribution rate was assessed to be 5.6% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 26.0%, which translated into an average employee contribution rate of 9.6% and employer contribution rate of 16.4% payable. The cost-sharing agreement also introduced a 10.9% cap on employer contributions payable which were implemented from 1 September 2015.

From 1 September 2020, the employer contribution rate increased to 23.68%.

From 1 April 2015, the TPS was reformed, with a different benefit structure for a number of members. These changes have been allowed for in the contribution rate set out above.

Independent Schools' Pension Scheme

Certain non-academic staff are members of The Independent Schools' Pension Scheme ('ISPS'). This scheme was introduced with effect from 5 September 1996, to which both the School and staff contribute. The Independent Schools' Pension Scheme is an industry-wide, funded defined benefit scheme.

Under definitions set out in FRS102, the ISPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School has accounted for its contributions as if it were a defined contribution scheme.

Up to 31 August 2022, the school has paid an employer contribution rate of 24.5%. Due to the nature of the scheme, the charge to the statement of financial activities for the year under FRS102 represents the employer contribution payable.

The latest full actuarial valuation of the Scheme was at 30 September 2020. The market value of the Scheme's assets at the valuation date was £201.1m and the value of the liabilities at that date was £256.3m giving a deficit of £55.2m.

The superannuation cost represents contributions payable to the fund and amounted to £46,000 (2021: £45,000). The next full actuarial valuation will be carried out as at 30 September 2023.

20 Pensions and pension schemes (continued)

Following consideration of the results of the actuarial valuation in 2014 it was agreed that the shortfall would be dealt with by the payment of deficit contributions of £3.47 million per annum from 1 September 2013 to 31 August 2016. From 1 September 2016 to 31 August 2029, deficit contributions of £3.34 million per annum will be required. If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an ongoing funding basis, by 31 August 2029. The School pays a pro rata proportion of the deficit contributions based on details provided by the ISPS. A provision has been recognized for this obligation of £549,000 (2021 £549,000). A summary of movements since 1 September 2021 are noted below:

	£'000
Provision as at 1 September 2021	549
Deficit contribution made	37
Increase in provision	(37)
Provision as at 31 August 2022	**549**

Other pension schemes

Certain non-academic staff are members of the Downe House Staff Pension Schemes, which are defined contribution insured funds administered by a private pensions company to which contributions are paid as they become due.

The superannuation cost represents contributions payable to the funds and amounted to £338,000 (2021: £330,000). The balance of contributions payable at the year-end was £48,000 (2021: £48,000).

21 Subsidiary undertakings

The principal place of business for all subsidiary undertakings is the same as that for Downe House School as noted on page 1.

Downe House School owns the entire share capital of a trading subsidiary undertaking, Downe House School Services Limited, a company registered in England and Wales (2664010) with £2 share capital, called up and fully paid (Note 2).

Downe House School is the sole corporate Trustee of the Downe House Trust (309091). The trust is managed by the Trustees of the School. The Downe House Trust owns property used by the School for which it received rental payments of £646,000 (2021: £646,000) for the year. The results reported below have been consolidated in the group financial statements after making appropriate intra group adjustments.

Downe House Trust	**2022 £'000**	2021 £'000
Total incoming resources	**646**	647
Total resources expended	**(1,545)**	(1,302)
Net movement in funds	**(899)**	(655)
Total assets	**39,184**	38,241
Total liabilities	**(37,313)**	(35,471)
Total funds	**1,871**	2,770

Downe House School is the sole member of Downe House Foundation. The Downe House Foundation is managed independently of the School, has a separate board of Trustees and raises funds for educational building projects at Downe House School. The results reported below have been consolidated in the group financial statements after making appropriate intra group adjustments.

Downe House Foundation	**2022 £'000**	2021 £'000
Total incoming resources	**18**	82
Total resources expended	**(3)**	(5)
Net movement in funds	**15**	77
Total assets	**445**	427
Total liabilities	**(8)**	(5)
Total funds	**437**	422

As noted on page 2 the Downe House Appeal Fund (2009), charity number 1044896, is dormant with no assets or liabilities.

22 Reconciliation of net income to net cash inflow from operating activities

	2022 £'000	2021 £'000
Net income before transfers	**74**	514
Depreciation charges	**1,435**	1,384
Gain on disposal of fixed assets	**-**	(1)
Losses/(gains) on investments	**57**	(188)
Interest payable	**13**	-
Investment income	**(19)**	(14)
Decrease/(Increase) in debtors	**1,115**	(384)
Increase in creditors	**1,014**	584
Net cash inflow from operating activities	**3,689**	1,895

23 Cash flows from investing activities

	2022 £'000	2021 £'000
Investment income	**19**	14
Interest payable	**(13)**	-
Purchase of tangible fixed assets	**(1,983)**	(1,661)
Receipts from sale of fixed assets	**-**	6
Purchase of investments	**(513)**	(1,091)
Receipts from sale of investments	**666**	1,034
Net cash (outflow)/inflow	**(1,824)**	(1,698)

24 Analysis of changes in net funds during the year

	Cash at bank and in hand less overdraft £'000	Total £'000
Balance as at 1 September 2021	3,793	3,793
Cash flows	2,865	2,865
Balance as at 31 August 2022	**6,658**	**6,658**

25 Reconciliation of net cash flow to movement in net funds

	2022 £'000	2021 £'000
Increase in cash in the year	2,865	697
Movement in net funds in year	2,865	697
Net funds at the beginning of the year	3,793	3,096
Net funds at the end of the year	6,658	3,793

26 Capital

The School is a company limited by guarantee. Each member has undertaken to contribute £1 to the assets of the company to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 August 2022 was £13 (2021: £11).

27 Related party transactions

Trustees whose children attend the School do not receive any concessions on their fees or disbursement charges as a result of their position as a Trustee. Staff members receive a discount of between 50% and 90% of the basic fees.

The group incurred costs of £79,000 of which £5,000 was outstanding at 31 August 2022 (2021: £179,000, £ Nil outstanding) in respect of legal services in the year ended 31 August 2022 to Farrer & Co. solicitors, where Ms VJ Exelby is a Consultant.

Trustees donated a total of £552 (2021 £Nil) during the year.

28 Comparative Statement of Financial activities for the year ended 31 August 2021

	Notes	Unrestricted funds School £'000	Unrestricted funds Others £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2021 £'000
INCOMING RESOURCES						
Donations and legacies		-	-	82	28	**110**
Other trading activities:						
Trading income		-	40	-	-	**40**
Premises hire		-	-	-	-	**-**
Income from investments		-	-	-	14	**14**
Income from charitable activities:						
School activities		20,834	-	-	-	**20,834**
Other income:						
Gain on disposal of fixed assets		1	-	-	-	**1**
Total income and Endowments		**20,835**	**40**	**82**	**42**	**20,999**
RESOURCES EXPENDED						
Expenditure on raising funds:						
Trading expenditure	5	-	14	-	-	**14**
Generating voluntary income	5	211	-	-	-	**211**
Expenditure on charitable activities						
School activities	5	19,455	879	52	12	**20,398**
Governance costs	5	44	6	-	-	**50**
Total expenditure		19,710	899	52	12	**20,673**
NET INCOME / (EXPENSES) BEFORE (LOSSES) / GAINS ON INVESTMENTS		1,125	(859)	30	30	**326**
Net (losses)/gains on investments		-	-	-	188	**188**
NET INCOME / (EXPENSES) BEFORE TRANSFERS	4	1,125	(859)	30	218	**514**
Transfers between funds	17	(227)	250	(23)	-	**-**
NET MOVEMENT IN FUNDS		**898**	**(609)**	**7**	**218**	**514**
Total funds brought forward	17	21,358	2,952	1,653	1,284	27,247
TOTAL FUNDS CARRIED FORWARD	**17**	**22,256**	**2,343**	**1,660**	**1,502**	**27,761**

DOWNE HOUSE SCHOOL

England & Wales - Charity number 1015059

Accounts

Downe House School

Annual report and financial statements

for the year ended 31 August 2021

Registered Number: 2645228
Registered Charity Number: 1015059

Downe House School

Annual report and financial statements for the year ended 31 August 2021

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Downe House School

Trustees, Officers and Advisors

Trustees, Governors and Directors

	Committee Chaired	Committee Membership
Ms AF Hazlitt, BA	Chair of Governors	
Mr TM Boucher, BA FCA	Finance & General Purposes	ES, F, N, B
Ms EJ Clarke, MInstF(Cert)		ED, B
Ms VJ Exelby, MA		ED, B
Mrs FM Holmes, BComm		ES, F
Mr NM Hornby, BSc	Vice Chair	ES, F, N, B
Dr C O'Kane, MA MB BChir MSc DPhil		ED
Mrs CI Ratnage, MBChB, MRCGP		ED
Mr MK Ridley, BA MA, MRICS	Estates Sub-Committee	ES, F, B
Mr JJ Smith, BA MEd PGCE	Education	ED, N
Mr MA Wippell, MA LLM	Business Development	ES, F, B

NB: Key to membership of Committees above is as follows:

Education Committee	ED
Finance & General Purposes Committee	F
Estates Sub-Committee	ES
Nominations, Governance and Remuneration Committee	N
Business Development Committee	B

Headmistress
Mrs E McKendrick, BA

Secretary, Finance Bursar
Mr C Kauntze-Cockburn, FCA

Interim Director of Finance
Mr JA Bell, MEd BA(Hons) Delta FRSA (from 13th September 2021)

Principal and Registered office
The Bursary
Downe House School
Cold Ash
Thatcham
Berkshire
RG18 9JJ

Independent Auditors
PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

Solicitors
Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Bankers
Lloyds Bank plc
5 Bridge Street
Newbury
Berkshire
RG14 5BQ

Investment advisors
Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

Report of the Trustees and Strategic Report

The Trustees present their annual report and the audited financial statements of the group for the year ended 31 August 2021.

The information with respect to Trustees, Officers and Advisors set out on page 1 forms part of this report. The financial statements comply with the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS 102)" (revised 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

Downe House School ("the School") is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association – company registered number 2645228 and charity registration number 1015059.

The School is the sole corporate Trustee of the Downe House Trust, a registered charity, number 309091, established by trust deed on 1 January 1944, which owns the land and buildings from which the School operates.

The School owns Downe House School Services Limited, company registered number 2664010, the trading activities of which include lettings of the School facilities and the provision of goods and services to the parents and pupils of Downe House School and third parties, the taxable profits of which are donated to the School.

On 28 November 2006 the existing Trustees of the Olive Willis Trust resigned and Downe House School became the sole corporate Trustee of the Olive Willis Trust. From that date the Olive Willis Trust became a restricted fund within Downe House School with a long term intention to fund Bursaries and Scholarships. Under a Charities Commission Scheme dated 31 July 2011 the Olive Willis Trust Bursary and Scholarships fund became an Expendable Endowment Fund (Note 17).

Under the same scheme Downe House School became the sole Trustee of the Downe House Foundation, charity number 1044896. On 5 June 2014 the name of the Foundation was changed to 'Downe House Appeal Fund (2009)' which has no assets and is dormant. An application was made to establish a new Downe House Foundation in June 2014. The new Downe House Foundation, charity number 1159259, has a separate board of Trustees and is managed independently of the School.

The report and consolidated financial statements for the year ended 31 August 2021 relate to the total activities of the above legal entities.

Related parties

The School's relationship with Downe House School Services Limited, Downe House Trust and Downe House Foundation are disclosed above and that with related parties in note 27.

Connected organisation

There is one connected organisation:

The Downe House Seniors Association facilitates communication amongst former pupils of Downe House School who are members of the Downe House Seniors Association.

Induction and training of Trustees

All new Trustees undertake an induction and training day at the School the content of which depends on the individual's knowledge of the School and professional experience. Trustees are encouraged to attend seminars arranged by AGBIS (Association of Governing Bodies of Independent Schools) and other such bodies.

The Trustees, organisational structure and decision making

The Trustees ("the Governing Body") comprise all the directors of the company. Directors are elected at the Annual General Meeting and hold office until the third anniversary of the date of their election when they resign from office but are eligible for re-election up to a total of nine years. The Chair can be elected to serve up to an additional 5 years and the Vice-Chair can be elected to serve up to an additional 3 years.

The Trustees, all of whom served throughout the year to 31 August 2021, except where otherwise disclosed below, are as listed on page 1.

The following Directors were re-elected at the Annual General Meeting on 26 November 2020:

Mr JJ Smith
Ms VJ Exelby

The following Director resigned at the Board meeting held on 10 June 2021:

Lady Cunningham

It is proposed that the following Directors be re-elected at the Annual General Meeting on 25 November 2021:

Dr C O'Kane
Mrs FM Holmes
Mrs CI Ratnage
Ms EJ Clarke

The following director notified their intent to resign at the Annual General Meeting of 25th November 2021:

Mr M Wippell

The strategic direction of the School is set by the Trustees who approve the plans and budgets presented by the Headmistress and management team.

The School takes out trustees' liability insurance with a cover limit of £10m.

The day to day running of the School is delegated to the Headmistress, the Finance Bursar and the Director of Estates, Property and Services who attend meetings of the committees referred to below as appropriate.

To assist the Trustees in their duties the following committees are established:

Education Committee

The members of this Committee meet at least four times a year to submit reports and recommendations to the Board of Trustees on the following matters:

i. To review and to make recommendations to the Governing Body on any aspect of educational policy, provision and practice delegated by the Board to support the work of the Headmistress and her staff.

ii. To review any academic department suggested by the Governing Body and to make proposals concerning its curriculum development, staffing and resources.

iii. To investigate any aspect of staffing policy or any particular staffing issue delegated by the Governing Body and make appropriate recommendations.

iv. To review any aspect of pastoral care of students as delegated by the Governing Body and

make appropriate recommendations.

v. To propose to the Governing Body the review of any aspect of the School's educational provision which may arise from the Committee's discussions.

vi. To invite the attendance of Heads of Department, or any relevant member of staff, to an agenda item as advised by the Head and when appropriate.

Finance and General Purposes Committee

The members of this Committee meet at least four times a year to submit reports and recommendations to the Board of Trustees on the following matters:

i. To formulate business plans and annual budgets, in accordance with the School's aims and objectives, for consideration by the Board of Trustees and to monitor their execution once approved.

ii. To recommend an annual programme of capital expenditure to the Board of Trustees.

iii. To recommend the level of fees for the forthcoming year to the Board of Trustees.

iv. To determine appropriate financial controls and procedures.

v. To propose policy objectives to the Board of Trustees on:

a. Charging and fee remissions
b. Salaries
c. Bursaries
d. Contracts
e. Investments

Estates Sub-Committee

The members of this Sub-Committee meet at least four times a year to submit reports and recommendations to the Board of Trustees and/or the Finance and General Purposes Committee on the following matters:

i. The overall development of the School's buildings and properties.

ii. The planning, design and management of current and future construction projects.

iii. The annual maintenance and improvement programme for the School's buildings, including Health and Safety issues.

iv. Any other buildings or property related matters referred to the Sub-Committee by the Board of Governors or the Finance and General Purposes Committee.

The Nominations, Governance and Remuneration Committee

The members of this Committee meet a minimum of once per year, or when convened by the Chair, to consider nominations to the Board and to have oversight of Governance. The Board of Trustees decides on the need for new appointments based on its succession planning and examination of its effectiveness. The Committee considers candidates for approval by the Board based on specifications such as eligibility, specialist skills, personal competence and availability. The Committee also considers remuneration for the Headmistress having due regard to the need to retain the best staff available and taking due consideration of competitor salary information available in the public domain. Remuneration for other key management personnel is discussed by the Headmistress, Chair and Chair of the Finance and General Purposes Committee.

Business Development Committee

The members of this Committee meet a minimum of three times per year, or when convened by the Chair, to consider the following matters:

i. Take a lead, from a Governance perspective, on the assessment of material business development opportunities outside the core activity of providing education at Cold Ash.

ii. Ensuring that the Board of Governors remains appropriately informed of potential projects under consideration and their progress. Decision making remains a matter for the Board of Governors, although it may choose to delegate responsibility for execution of a particular project to the Business Development Committee.

For details of the members of each of these committees see page 1.

Compliance Framework

The School is committed to ensuring that it complies with all relevant legislation. It is regularly inspected and Governors are updated by the Headmistress and the Senior management team on any changes required to meet statutory obligations throughout the School. These updates are provided termly at Board Meetings.

Safeguarding and Child Protection

The School is committed to Safeguarding and Protecting all the children in its care. The Designated Safeguarding Lead (DSL) is the Boarding Deputy who is supported by the Deputy Head as Deputy DSL. The Headmistress is also fully trained as a DSL. Staff are trained and updated regularly in Safeguarding and Child Protection matters, as are Governors and all those who would have unsupervised access to pupils. All policies are in place to meet regulatory requirements and give due consideration to West Berkshire Guidance. The appointment of staff, Governors and all other individuals for whom it is necessary, such as contractors and regular taxi drivers, are subject to the appropriate pre-employment checks, for example, Enhanced DBS checks and references.

LOCATION OF THE SCHOOL

Downe House School is situated on a site of 110 acres in the village of Cold Ash in Berkshire. Pupils from the ages of 11 to 18 are educated on the site.

A particular emphasis is placed on the development of the boarding facilities as nearly all pupils board at the School full-time. A limited amount of staff housing is also provided in order to support the strong boarding ethos that exists.

The School also owns Le Chateau de Sauveterre in France, whose principle purpose is the experience of a term abroad for the School's pupils. An additional small site in Veyrines de Domme in the Dordogne in France has been closed. The use of the French sites was limited by the Covid-19 pandemic, but the School is committed to developing the facility in Sauveterre as an integral part of the pupils' experience.

OBJECTIVES AND ACTIVITIES

Objects

The objects of Downe House School are:

- to promote and provide for the advancement of education and in connection therewith to conduct and acquire and carry on any boarding or day school for the education of children.

The objects of Downe House Trust are:

- the provision and conduct at or near Cold Ash, near Newbury, of a day or day and boarding school for girls.

The objects of Downe House Foundation are:

- to advance education by the provision of funding, assistance and support to Downe House School.

The objects of Downe House School Services Limited are:

- to carry on business as a general commercial company.

Aims and intended impact

The School exists to provide girls with, and promote, an excellent holistic education. The School is a boarding school for girls from ages 11 to 18. The School aims to promote the development of the individual by enabling girls to strive for the highest academic results of which they are capable. At the same time, they should be able to enjoy the opportunities and support which allow them to develop the personal, social, spiritual and emotional awareness that is the balance to academic excellence and thus prepares them for adult life and work. The financial results facilitate the educational, pastoral and charitable objectives of the School.

Policy and objectives for the year

The main policies and objectives for the year were to:

- Maintain excellent academic standards in the School, be at the forefront of best educational practice and development and prepare students for any appropriate national assessments and public examinations to enable each to succeed according to ability.
- Sustain the highest standards of pastoral care in the School.
- Allow pupils to develop wider interests such as music, sport and extra-curricular activities to ensure a holistic education.
- To demonstrate the full Public Benefit that the School provides.
- Maintain total pupil numbers between 550 and 590 with at least 90% of those being boarding pupils.
- Pursue a financial strategy which enables the aims of the School's Strategic Development Plan to be met.

Strategies for achievement of objectives

The School is committed to the recruitment of staff of the highest quality and to their continued training.

The School has appropriate policies in place to ensure that pastoral care is of the highest standard.

Pupils' development of wider interests and the provision of a holistic education is actively encouraged throughout the School.

The School fosters and develops good links with existing parents and feeder schools encouraging them to promote the School. The School is also promoted by actively seeking new areas of recruitment.

Financial objectives and strategy of the School are an integral part of the Strategic Development Plan and are regularly reviewed.

Estate Strategy

A regular review of facilities is undertaken to ensure that they are fit for purpose and will continue to meet the needs of a first-class girls' boarding education and Downe House School's agreed strategic objectives. All stakeholders including pupils, staff, parents, past parents and alumnae have been involved in the formulation of a capital works development programme within the Estate Strategy. This has proved to be very successful and a Ten Year Plan has been developed which will lead to improvements in the School's facilities that have been identified. The first project identified was the lower-school boarding houses which were completed in 2015. The second is the Murray Centre which was completed in 2018. Running alongside the development programme is a schedule of routine works and maintenance. As well as an emphasis on improving boarding accommodation, the School has also been focusing on developing a robust infrastructure of services to support and sustain current and future needs, for example, increasing the available provision of electricity to take account of increasing demands of technology and new buildings.

Grant Making Policy

Bursaries

The reduction in the monetary value of scholarships noted below means that it will be possible to make increasing provision for means-tested bursaries, in order to ensure broad access to the School. Additional future bursaries may be funded by the Olive Willis Trust. Applications for Bursaries are considered by the Headmistress and Finance Bursar who make recommendations to the Chair of Governors and the Chair of the Finance and General Purposes Committee. Awards are means-tested on the basis of financial information provided by the applicant. To ensure that no section of society is excluded from the School the maximum level of bursary awards is 100% plus extras. This Bursary policy is advertised in the appropriate media. The first 100% plus Bursaries were awarded for the academic year commencing September 2011.

Scholarships

Scholarships are awarded by the Headmistress as a result of academic achievement in the scholarship examinations set by the School. From 2018/2019 the upper limit for scholarships, except for music, was reduced to £Nil with an increasing focus on funding bursaries. From 2019/2020 the financial component of new scholarships was reduced to Nil although those granted before that date may continue.

Public Benefit

Having regard to the general guidance on Public Benefit from the Charity Commission, as set out in section 17 of the Charities Act 2011, the School continues to develop its overall contribution in addition to the plans for increasing the number of means-tested Bursaries.

Community Engagement

Downe House is committed to playing an active part in the local community. To that end, as well as supporting local businesses, the School supports a number of local charities through fundraising activities but also through the girls contributing to the work of local organisations/charities. This can take the form of visiting Care Homes, supporting children who ride at the Riding for the Disabled Charity, supporting children at the respite care Charity, Swings and Smiles, and reading in local primary schools. This will either be done through the Duke of Edinburgh Award scheme or through Downe House's own Community Service scheme. Our musicians play annually for the parishioners at St John's Church in Newbury to raise funds for Christian Aid and also House choirs will visit local residential homes to provide entertainment as requested. The Art Department is also active in providing work for the Royal British Legion each year for their displays in Newbury and at the parish church in Cold Ash, for example. Downe House is currently planning to expand this range of activities and our Head of Co-Curricular Activities is leading this initiative.

Collaboration with local schools takes place through our Oxbridge Interview evening or by opening up appropriate events and lectures, for example, our STEM Day, to students from other schools. Some of our staff also act as Governors at local schools and share their expertise.

Bursaries

A means tested bursary scheme is in operation potentially remitting up to 100% of fees plus extras from which 31 girls benefited at a cost of £857,000 (2020: 27 girls benefited at a cost of £759,000). The School had 18 pupils on high level bursaries between 75% and 100% plus extras for 2020/2021. For 2021/2022 16 high level bursaries between 75% and 100% of fees plus extras have been awarded.

The Olive Willis Trust Fund is intended to principally provide for the advancement of education in connection with the School for the public benefit, in particular, but not limited to, the provision of financial assistance to prospective, current and former pupils of Downe House School who are in need.

Fundraising

Girls are encouraged to raise money for charities as part of their general education. During the past three years over £83,000 has been raised the wide variety of charities supported includes:

Hope & Homes for Children
Teenage Cancer Trust
Hope Asia
Oscar Foundation
Swings and Smiles
Rainbow Trust
Young Minds Trust
Inspire Foundation
West Berkshire Foodbank
Macmillan Cancer Support
Charlie Waller Memorial Trust

Armed Forces Fund

In 2012 the School and Downe House Trust became involved in receiving cash raised from school parents, to be passed on to the Radley Foundation Armed Forces Fund as part of their fundraising for forces-related charitable activities. £120 (2020 £142) has been collected by the Downe House Trust 21st Century Appeal on behalf of the Radley Foundation Armed Forces Fund and has not been included in the Financial Statements of Downe House Trust or Downe House School.

21st Century Appeal and Downe House Foundation

The 21st Century Appeal was launched in April 2000. The aim of the Appeal was to raise money initially for a number of capital projects. Following completion of the Sports Hall in August 2001 and the Sports Pavilion in April 2003, construction of the Performing Arts Centre was completed in August 2004. Construction of an all-weather pitch was completed in November 2008. During the year the Appeal received donations of £Nil (2020: £ Nil), in line with expectations.
Major fundraising is now undertaken by the Downe House Foundation.

Downe House School Services Limited

Downe House School Services Limited's trading activities include lettings of the School's facilities. Trading during the year was significantly reduced due to closure of the School site during the Summer 2021. The directors anticipate that trading will return to satisfactory levels once Covid-19 restrictions are no longer in place.

Downe House Trust

Downe House Trust provides the 110 acre site and properties used by Downe House School.

Downe House Foundation

Downe House Foundation, charity number 1159259, was established in June 2014. Downe House Foundation is managed independently of the School, has a separate board of Trustees and raises funds for educational building projects at Downe House School.

Investment Performance

Investment performance is reviewed regularly and investments have performed adequately in the year and in line with set performance.

Management team and staff

The Trustees would like to take this opportunity to recognise the hard work and dedication of the Headmistress, management team and the teaching, administrative and support staff of the School during the year.

Employment Policies

Downe House School is committed to recruiting and retaining the highest quality members of staff. To that end it ensures that staff are well rewarded through competitive salary packages and opportunities for career development. Our salary package and terms and conditions are kept under review by the Director of HR and the Finance Bursar. Opportunities for In-service training (Inset) are provided to all staff and applications for day courses and extended Inset can be made to improve their skills and qualifications. Such applications are reviewed by the Staff Development Officer and assessed against the School's Strategic Development Plan, the House or Departmental Development Plans and the individual's own performance review. In addition, regular whole-staff and departmental training is provided by the School at the start of each term and regularly throughout the term. The Performance Review System is comprehensive and applies to all staff. It has recently been streamlined and computerised so that it is more effective, efficient and ensures that staff are provided with feedback on all aspects of their role.

The School regularly provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the School is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the School plays a major role in maintaining the success of the School. The School encourages the involvement of employees by means of regular departmental meetings as well as whole staff meetings.

The School is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The School gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the School. If members of staff become disabled the School continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

STRATEGIC REPORT

Achievements and Performance

Review of 2020/2021

The academic results

GCSE passes at 4-9 grade (A* to C) or equivalent grades = 99.7% with 89.2% being at 7 – 9 grade and 71.1% at 8 – 9 grade. Pre U / A level passes A* to C or equivalent grades = 100.0%.

The range of universities at which pupils achieved places includes Oxford, Cambridge, Bristol, Durham, Edinburgh, Exeter, London, Leeds and Manchester, as well as leading universities across the globe including in the US, Canada and Europe.

The impact of the Covid-19 pandemic has continued to be felt throughout the year and, whilst the nation was in lockdown in January and February, the School taught online as before and continued its full programme of activities virtually. A number of overseas students spent longer periods online as a result of the difficulties with quarantine regulations and travel disruption. Hybrid teaching and pastoral care were therefore delivered throughout the rest of the academic year. Additional safeguarding measures were put in place throughout this period and dynamic risk assessments put in place.

All staff, teaching, operational and support were included in any relevant training and regular weekly updates continued to be provided to staff and parents and pupils were also updated either in person, in virtual assemblies or through targeted emails. Any changes to Government guidance are considered by the appropriate members of the Leadership Team and their impact reviewed. Advice was taken from our Health Centre as well as PHE (Public Health England), the BSA (Boarding Schools' Association), the HMC (Headmasters' and Headmistresses' Conference), MOSA (The Medical Officers for Schools Association) and West Berkshire Council. Regular testing of all members of the School community was started in March when the pupils returned to the School and maintained throughout the academic year. It was also required for all visitors who attended on site, including parents for events.

The School has continued its commitment to providing the highest quality of boarding education for girls. A new Pastoral Review Committee has been established which meets fortnightly to review any pastoral trends within the School and to assess any significant incidents/cases so that any lessons can be learnt from them. As a result of the discussions at the Pastoral Review Committee, we have launched a 'Parenting and Educating in Partnership Programme' which includes three stands that shape the way that the School and Parents can work together for the benefit of the students. One strand focuses on a programme of speakers on pastoral issues which will be open to parents, as well as form the basis of staff training and be included in the student programme too.

The provision of the highest quality of pastoral care has continued to be underpinned by the further roll out of the AS Tracking programme provided by the Steer Group. Boarding staff have participated in individual training days and training of Tutors is also taking place so that the programme becomes fully integrated into the pastoral support provided. Safeguarding the welfare of all our young people remains a key priority for all the adults connected with the School. Appropriate training and checks are in place and the School now has a team of Senior Staff trained to level 3 so that the Designated Safeguarding Lead has greater support. Two Directors of Boarding (new posts) will take up post in September 2021 and Safeguarding will be a particular emphasis of their role. The School has also appointed an external Safeguarding Adviser who will visit the School regularly (four times a year) and support and audit the work of the Safeguarding Team as well as provide advice for the newly constituted Governors' Safeguarding Committee too.

The academic life of the School has continued to flourish with the development of the use of technology in teaching continuing. There has been a great deal of training offered across departments and colleagues supporting one another through a channel in Microsoft Teams and we remain the School with the highest number of MIEE qualified staff in England. Our Oxbridge programme has been developed and restructured and the numbers of students participating has increased. This programme is seen, not just as focused on Oxbridge success but as a genuine

opportunity for all those interested in deepening their knowledge of their subject. Our programme for our Scholars has also been developed significantly with a larger number of events taking place and students producing magazines for the community where their knowledge, interest and expertise are shared. Participation in academic competitions, for example Olympiads, is high and success rates very pleasing.

This year has seen the formal launch of the World Ready Programme, a programme that draws together all the activities that are offered to the students at Downe House to ensure that they are ready to take their place in the world. It is a three-part programme with Years 7 and 8 being the World Aware section, Years 9 – 11 being the World Explore section and Years 12 and 13, the World Ready section. It includes at its heart a broad and rich academic curriculum, excellent pastoral support and a varied and challenging co-curricular programme complemented by a range of initiatives to help all students to develop the Downe House DNA (Compassion, Collaboration, Creativity, Resilience, Aspiration, Communication, Outward-looking). This includes, for example, all students having the option to develop leadership skills throughout their time at Downe, all students having the opportunity to do a Mini MBA, run by Hult Ashridge College, the Microsoft Office Specialist qualification and much more.

The review of our PSHE programme has continued to focus on EDI (Equality, Diversion and Inclusion) matters both inside the classroom and also through discussion groups outside the classroom too. Opportunities to discuss racial prejudice, sexual harassment and inclusion have also been addressed this year. A new initiative with a boys' school on how we work collaboratively on promoting healthy and respectful relationships with young people has begun. The School is an equal opportunities employer and values diversity in the school community and workplace. A range of world cultural events are celebrated throughout the year.

Developing the whole person is at the heart of a Downe House education. Drama and Music have continued to maintain a high profile throughout the year and the relevant departments have adapted to the demands of online and in-person teaching. Productions of 'Blue Stocking (drama)', 'Lets' go to the Movies (musical theatre and film)' and 'Mulan (dance)' included girls from a variety of ages in leading roles and were both demanding and excellently performed. Our House Drama and Dance competitions had to be abandoned in their traditional form and were reorganised into a House Drama and Dance Virtual Competition. The results were inspirational and the girls really did respond magnificently. Founder's Weekend did take place with the productions mentioned above forming a key part of the programme. There were also wonderful displays of Art, Textiles, DT and Photography in the Murray Centre. The choirs and some of our instrumentalists and ensembles also performed outstanding concerts at Founder's Weekend and we enjoyed a super virtual Carol Service.

In Sport there was activity in every area in the Michaelmas, Lent and Summer terms including Lacrosse, Netball, Hockey, Swimming, Athletics, Skiing, Riding, Tennis, Badminton, Basketball, and Squash with various inter-school competitions and matches being won and many girls being chosen to represent their region or country in lacrosse in particular. During the period when matches between schools was not permitted, all the School played matches together on a Saturday afternoon. Pre-season training is now a strong feature of the preparation for each season and valued by the girls and the staff. A lacrosse training camp for prospective students and students new to the School has also been started.

The programme for our scholars in each of the other separate disciplines, outside the academic, – Art, Music, Drama and Sport – has continued to flourish and develop and the support which each receives is now well recognised and highly valued by the girls and the staff. We continue to invest in this programme with a selection of speakers, workshops and training/practice taking place each week.

The range of activities offered both at weekends and in the evenings remains a very important part of the life of the School as it enables girls to develop interests and skills and gain experience which will, we hope, help to build their confidence. Over recent weeks and months, it has been particularly important to develop activities that could take place on the site as Covid restrictions prevented off-site activities. The Co-curricular Department has been very innovative and outdoor movie nights, a fun-fair, inflatables on the field and much more have all been offered and proved to be very popular. Commitment to the Duke of Edinburgh remains strong at Bronze and Gold level as does the commitment to Peer Support Programme in the Sixth Form.

Developing a global awareness and understanding in our girls also remains a priority and our Global Schools' Exchange Programme, although largely on hold for the moment, continues to attract strong interest. Some virtual Exchanges were able to take place and, although not the same, it was wonderful for girls to gain some experience of our partner schools. It is envisaged that these programmes will be restarted when it is appropriate and safe so to do. In order to continue to build global awareness our Global Ambassador team has arranged a series of celebrations of international festivals which have been representative of the countries from which our girls come. There have also been some virtual Staff Exchanges too.

In addition to our education programme, the Group's subsidiary companies have collaborated with EduReach Education and the MODPF (Ministry of Defence Pension Fund) in Oman to support the opening of a girls' school in the capital of Muscat. This is scheduled to open in September 2022, delayed from 2021 as a result of the pandemic. The building is nearing completion and the next area of focus for the Michaelmas term will be the recruitment of the Senior Staff team. It will enable the Downe House education to be shared more broadly and offer opportunities for the pupils and staff to broaden their understanding of this wonderful country.

The School has purchased Chateau de Sauveterre, near Toulouse in France in order to be able to continue to offer our unique opportunity for the Year 8 girls to spend a term there. We are hopeful to be able to open this during the year 2021/22.

As well as supporting charities overseas, the School maintains strong links with a number of local charities which it supports and the Upper School Houses are each now supporting a local UK based charity as well as their link charity overseas. The range of charities includes, Swings and Smiles, Jo's Trust and Riding for the Disabled as examples. Supporting the local Food Bank at Harvest Festival time was also a priority. Individual girls continue to be able to present charities that are particularly meaningful to them or their families in order to raise money through a mufti day at the School. There are six days available each year and these are regularly taken well in advance.

None of this would be possible without a highly committed and professional staff body. We continue to be committed to investing in our staff and regular training opportunities are offered in different areas, from technology to EDI to classroom practice and well-being. A comprehensive induction programme is in place for all staff so that they are able to gain a good understanding of the School.

Although pupil numbers remain strong and there is reason to be optimistic about the future, it is important that we are never complacent. The pandemic has had a significant impact on the economy and we acknowledge the political and broad financial challenges that will face the education sector and always seek to address these. Of primary importance is that we maintain a high-quality provision of education which we share as widely as possible. We continue to seek ways of investing in our Bursary Fund to broaden access and to look after our past, current and future pupils.

The subsidiary organisations continue to facilitate achievement of the overall objectives of the Group as described in note 21.

As noted on page 13 the financial results were significantly impacted by Covid-19.

Financial Review

Investment Powers and Policy

The School has the powers to invest and to delegate these powers to professional investment managers. Those investments which represent the composition of fees fund are held in gilts to facilitate parents who wish to make advanced fee payments. Investments representing the Olive Willis Bursary and Scholarship fund are held primarily in equity-based managed funds to generate capital growth to expand the fund and finance future bursary provision. In order to safeguard assets arising from donations, the assets of the Foundation are held as cash balances. It is considered inappropriate to expose such assets to possible investment risks and losses.

Reserves Policy

The School's tangible assets are all held for use in the School. Note 16 to the financial statements sets out an analysis of the assets attributable to the various funds which constitute the group. These assets are sufficient to meet the group's obligations on a fund by fund basis.

As described in note 16, the School's reserves are fully represented by investments, tangible fixed assets and associated liabilities. There are no free funds beyond the extent of these assets and commitments. The Trustees consider that the existing level of reserves is appropriate for the needs of the School. This policy is reviewed at least annually.

Funds summary at 31 August (Note 17):
Total funds held £27.7m (2020 £27.2m)
Restricted funds £1.6m (2020 £1.6m)
Endowed funds £1.5m (2020 £1.3m)

Financial Results

The results are shown in the financial statements and notes thereto on pages 19 to 45. Fee income, net of bursaries and scholarships, exceeded £20.8m (2020: £19.3m). Total resources expended have increased from £20.3m to £20.7m. During the year a number of staff were furloughed (Note 4). The School also invested heavily in all appropriate protective equipment from screens in classrooms to PPE for all staff as well as all appropriate training.

Net incoming resources before gains and losses on investments amounted to £0.3m (2020: £0.7m net outgoing resources). There has been a corresponding improvement in the Schools positive cash position from £3.1m to £3.3m (note 24)

The activities of Downe House School Services Limited (Note 2), Downe House Trust (Note 21) and Downe House Foundation (Note 21) contributed significantly to the Consolidated Financial Results.

Principal Key Performance Indicators (KPIs)

The School regularly reviews its performance against an agreed set of KPIs. These include educational (academic and pastoral), financial, operational, marketing and admissions targets, recruitment and retention of staff, as well as targets related to the development and management of the estate and support functions. These targets are reviewed annually by the Board and more regularly by the School's Leadership Team.

Changes in Tangible Assets

The movements in tangible assets during the year are set out in note 9 to the financial statements.

Principal Risks and Uncertainties.

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005), the Trustees have examined the major risks faced by the School and the group. A system of controls has been put in place to monitor and mitigate, where possible, the major risks identified and their impact on the School. Risks are identified and assessed via a risk matrix, mitigation measures and controls. A formal review of the

School's risk management process is undertaken on a termly basis. The following key risk areas are considered:

Impact of Covid-19
A material reduction in pupil numbers.
Pastoral Care and Education of Pupils.
Governance & Management.
Material changes in the regulatory and tax environment
Health & Safety.
The operational gearing of the School, in particular the significant level of fixed costs.
Financial pressured from rising costs, including remuneration and pensions

Areas of High Risk

The Key Risks to the School are recorded in a Corporate Governance Risk Assessment Document that is reviewed by the Board of Governors and the Leadership Team termly. Areas of medium and high risk have been identified and strategies for mitigating these put in place. Areas of high risk relate to factors outside the School's immediate control such as an economic downturn or demographic changes and in each case mitigating actions are in place to reduce the potential impact of the risk.

Price and cost risk

The School reviews its fees charged to parents on an annual basis. The fees charged are based on the principles of full cost recovery. These fees are factored into the School's plans and income forecasts. Salary levels are set by reference to prevailing market rates in the Education sector and are communicated to staff each year during the annual salary review process. Other costs are controlled by contract negotiations and competitive tendering with suppliers.

Credit risk

Risk on amounts owed to the School by parents is low, as the fees are due at the start of each term, non-payment is followed up early in each term and some fees are paid in advance.

Liquidity risk

The School has no long term borrowings, and makes use of a short term overdraft facility when required (Note 13).

Interest rate cash flow risk

The School places surplus funds on short term deposit with its bankers. This is deemed to be low risk. The interest rate risk from the short term overdraft facility has been considered and is deemed to be low.

Plans for Future Periods

The School intends to:

- Maintain excellent academic standards in the School, be at the forefront of best educational practice and development and prepare students for any appropriate national assessments and public examinations to enable each to succeed according to ability.
- Sustain the highest standards of pastoral care in the School.
- Allow pupils to develop wider interests such as music, sport and Co-Curricular activities to ensure a holistic education.
- Actively demonstrate the full Public Benefit that the School provides, having regard to the general guidance on Public Benefit from the Charity Commission and where possible enhance that benefit.
- Maintain total pupil numbers between 550 and 590 with at least 90% of those being boarding pupils.

- Pursue a financial strategy which enables the aims of the School's Strategic Development Plan to be met.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Downe House School for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on disclosure of information to the auditors

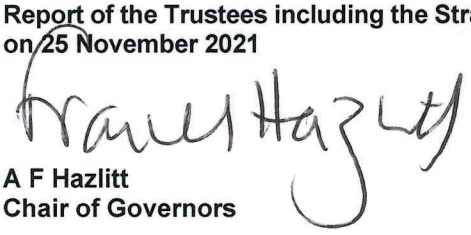
So far as the Trustees are aware:

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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

Report of the Trustees including the Strategic Report signed on behalf of the Board of Trustees on 25 November 2021



A F Hazlitt
Chair of Governors

Independent auditors' report to the members of Downe House School

Report on the audit of the financial statements

Opinion

In our opinion, Downe House School's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2021 and of its the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and parent charitable company's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the consolidated and school balance sheets as at 31 August 2021; the consolidated statement of financial activities, the consolidated summary income and expenditure account, the note of consolidated historical cost profits and losses, and the consolidated cash flow statement for the year then ended and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report and financial statements other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Report of the Trustees and Strategic Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Report of the Trustees and Strategic Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and Report of the Trustees and Strategic Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Report of the Trustees and Strategic Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and charitable company, we identified that the principal risks of non-compliance with laws and regulations related to the charities act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate the financial performance and position of the charity. Audit procedures performed included:

- Reviewing Board minutes and holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Using computer based audit techniques to identify and test higher risk manual journals, in particular those having unusual account combinations;
- Challenging the assumptions used by the charity and group when considering its ability to continue as a going concern, with enhanced procedures considered for COVID-19; and
- Obtaining third party confirmations of all the group and parent charity's banking and financing arrangements.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andrew Latham (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Bristol

30 November 2021

Consolidated statement of financial activities for the year ended 31 August 2021

	Notes	Unrestricted funds School £'000	Unrestricted funds Others £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2021 £'000	Total 2020 £'000
INCOMING RESOURCES							
Donations and legacies		-	-	82	28	**110**	134
Other trading activities:							
Trading income		-	40	-	-	**40**	37
Premises hire		-	-	-	-	**-**	-
Income from investments		-	-	-	14	**14**	37
Income from charitable activities:							
School activities		20,834	-	-	-	**20,834**	19,329
Other income:							
Gain on disposal of fixed assets		1	-	-	-	**1**	42
Total Income and Endowments		**20,835**	**40**	**82**	**42**	**20,999**	19,579
RESOURCES EXPENDED							
Expenditure on raising funds:							
Trading expenditure	5	-	14	-	-	**14**	23
Generating voluntary income	5	211	-	-	-	**211**	256
Expenditure on charitable activities							
School activities	5	19,455	879	52	12	**20,398**	19,982
Governance costs	5	44	6	-	-	**50**	46
Total expenditure		19,710	899	52	12	**20,673**	20,307
NET INCOME / (EXPENSES) BEFORE (LOSSES) / GAINS ON INVESTMENTS		1,125	(859)	30	30	**326**	(728)
Net (losses)/gains on investments		-	-	-	188	**188**	(21)
NET INCOME / (EXPENSES) BEFORE TRANSFERS	4	1,125	(859)	30	218	**514**	(749)
Transfers between funds	17	(227)	250	(23)	-	**-**	-
NET MOVEMENT IN FUNDS		**898**	**(609)**	**7**	**218**	**514**	(749)
Total funds brought forward	17	21,358	2,952	1,653	1,284	27,247	27,996
TOTAL FUNDS CARRIED FORWARD	**17**	**22,256**	**2,343**	**1,660**	**1,502**	**27,761**	27,247

All amounts derive from continuing activities. All gains and losses recognized in the year are included in the consolidated statement of financial activities. Included within total funds is an investment revaluation reserve of £349,000 (2020: £161,000) for the consolidated balance sheet.

Consolidated summary income and expenditure account for the year ended 31 August 2021

	Notes	2021 £'000	2020 £'000
Net charitable income		**20,958**	19,482
Less Endowed fund income		**(42)**	(19)
Gain on disposal		**1**	42
Non-charitable trading income	2	**40**	37
Total income		**20,957**	19,542
Charitable expenditure		**(20,659)**	(20,284)
Add back Endowed fund expenditure		**12**	11
Non-charitable trading expenditure	2	**(14)**	(23)
Net income / (expenses) before investment asset disposals		**296**	(754)
Gain/(Loss) on disposal of fixed asset investments		**(2)**	(29)
Interest payable and similar charges	7	**-**	-
Interest receivable		**-**	18
Surplus / (Deficit) of income over expenditure		**294**	(765)

Reconciliation to Consolidated statement of financial activities

	2021 £'000	2020 £'000
Net incoming / (outgoing) resources before recognised gains & losses	**326**	(728)
Gain/(Loss) on disposal of fixed asset investments	**(2)**	(29)
Less net income and expenditure on endowed funds	**(30)**	(8)
Surplus / (Deficit) of income over expenditure	**294**	(765)

Note of consolidated historical cost profits and losses for the year ended 31 August 2021

	2021 £'000	2020 £'000
Reported surplus / (deficit) of income over expenditure	**294**	(765)
Realisation of investment gains of previous years	**(2)**	(29)
Historical surplus / (deficit) on ordinary activities	**292**	(794)

Balance Sheets as at 31 August 2021

	Notes	Consolidated 2021 £'000	Consolidated 2020 £'000	School 2021 £'000	School 2020 £'000
Fixed assets					
Tangible assets	9	**29,632**	29,361	**2,490**	2,116
Investments	10	**2,207**	1,085	**2,207**	1,085
		31,839	30,446	**4,697**	3,201
Current assets					
Stocks	11	**19**	20	**19**	20
Debtors	12	**3,678**	3,294	**39,159**	37,566
Investments	10	**329**	1,204	**319**	1,195
Cash at bank and in hand		**3,793**	3,096	**3,333**	2,731
		7,819	7,614	**42,830**	41,512
Creditors: amounts falling due within one year	13	**(9,018)**	(8,554)	**(20,079)**	(18,977)
Net current (liabilities)/assets		**(1,199)**	(940)	**22,751**	22,535
Total assets less current liabilities		**30,640**	29,506	**27,448**	25,736
Creditors: amounts falling due after more than one year					
Advance fees	15	**(728)**	(665)	**(728)**	(665)
Bank Loans		**(500)**	-	**(500)**	-
Final term deposits	14	**(1,102)**	(1,045)	**(1,102)**	(1,045)
		(2,330)	(1,710)	**(2,330)**	(1,710)
Pension deficit	20	**(549)**	(549)	**(549)**	(549)
Net assets		**27,761**	27,247	**24,569**	23,477
Represented by:					
Endowed funds	17	**1,502**	1,284	**1,502**	1,284
Restricted funds	17	**1,660**	1,653	**811**	835
Unrestricted funds					
Designated	17	**125**	132	**125**	132
Retained income	17	**24,474**	24,178	**22,131**	21,226
Total Unrestricted funds		**24,599**	24,310	**22,256**	21,358
Total funds		**27,761**	27,247	**24,569**	23,477

The financial statements on pages 19 to 45 were approved by the Trustees on 25 November 2021 and signed on their behalf by:

A F Hazlitt
Chair of Governors

Consolidated cash flow statement for the year ended 31 August 2021

	Notes	2021 £'000	2020 £'000
Net cash inflow / (outflow) from operating activities	22	**1,895**	(630)
Net cash outflow from investing activities	23	**(1,698)**	(1,289)
Net cash (outflow) before financing		**197**	(1,919)
Net cash inflow from financing activities		**500**	-
Increase/(Decrease) in cash in the year	24,25	**697**	(1,919)

Notes to the financial statements for the year ended 31 August 2021

1 Principal accounting policies

Downe House School ("the School") is a charitable company limited by guarantee and a UK registered charity governed by its Memorandum and Articles of Association – company registered number 2645228 and charity registration number 1015059. The School is a public benefit entity. The address of its registered office is The Bursary, Downe House School, Cold Ash, Thatcham, Berkshire, RG18 9JJ.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom including Financial Reporting Standard 102 (FRS 102), Companies Act 2006 and the Charities Act 2011. In preparing the financial statements the School has followed best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS 102)" (revised 2015). A summary of the more important accounting policies of the School, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared on a going concern and accruals basis under the historical cost convention modified by the revaluation of fixed and current asset investments. The groups functional and presentational currency is £ sterling. The Directors consider it appropriate to adopt the going concern basis and have not identified any material uncertainties in the period of at least 12 months from the date of approval of the financial statements. After making enquiries the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future.

Basis of consolidation

The financial statements of the group include the financial statements of the School and its subsidiary undertakings to 31 August each year.

The School has taken advantage of the exemption from publishing its own Income and Expenditure account conferred by s408 of the Companies Act 2006. The amount of the surplus or deficit for the year dealt with in the School's financial statements is disclosed in note 17.

Fees and similar income

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 allowances, scholarships and other remissions granted by the School.

Fees received in advance of education to be provided in future years under the Advance Fees scheme are held as liabilities until they are either taken to income in the term when utilised or refunded. Any residual balance is transferred to a designated Advance Fees fund once all future fee liabilities have been met.

Donations

All donations are shown in the consolidated statement of financial activities under incoming resources and are accounted for on a receivable basis.

Gains on disposal of fixed assets

On disposal of tangible fixed assets, the profit or loss on disposal is accounted for as the difference between the net sale proceeds and the net carrying amount of the tangible fixed asset. The profit or loss on disposal of tangible fixed assets is recognised in the Statement of Financial Activities for the

year in which the disposal occurs.

Trading Income

Turnover represents amounts receivable for goods and services provided, net of VAT and trade discounts. Lettings income and other sundry income is recognised at the time the activity takes place.

Irrecoverable VAT

Any irrecoverable VAT is charged to the consolidated statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Overhead and other costs not directly attributable to particular functional categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to the level of costs in the functional categories.

Expenditure on raising funds includes the total costs attributable to each category from the subsidiary's trading activities and the fundraising costs which are incurred in securing income for the appeal fund.

Governance costs comprise the costs of running the School, including external audit, any legal advice for the Trustees and all the costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are unrestricted funds earmarked by the Trustees for specific projects.

Restricted funds are subject to specific conditions imposed by the donors.

Endowed funds are expendable capital funds where there is power to convert capital into income. Income from endowed funds is added to the relevant endowed fund.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation, at rates calculated to write off the cost, less their estimated residual values on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose are:

Equipment and furnishings	12.5%	- straight line
Computer equipment	20 %	- straight line
Motor vehicles	25%	- straight line

Land and buildings held on trust are included at cost incurred prior to completion. Land is not depreciated. Buildings are depreciated at rates calculated to write off the cost less their estimated residual values on a straight-line basis over the expected useful economic life of each building. The range of annual rates used for this purpose is between 10 and 50 years. Assets with a cost below £1,000 are not capitalised.

Fixed and current asset investments and investment income

Investments, representing quoted securities, are stated in the balance sheet at market value. Any gain or loss on the revaluation of investments is shown on the consolidated statement of financial activities. Investment income is accounted for in the period in which the School and the group is entitled to the income.

Stocks

Stocks of clothing, stationery and consumables are stated at the lower of cost, on a first-in, first-out basis, and net realisable value.

Registration fees

Registration fees placed for prospective pupils are non-refundable and are credited to fees income when received.

Final term deposits

Final term deposits are deposits placed when pupils join the School which are offset against fees and disbursements due for the last term each pupil attends. All deposits are classified as creditors.

Pension costs

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme (TPS) and the Independent Schools' Pension Scheme (ISPS). These are defined benefit schemes, which are externally funded and contracted out of the State Second Pension. Contributions to the TPS and ISPS 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 current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations not less than every four years using a prospective benefit method for the TPS and three yearly valuations using the projected unit method for the ISPS. As stated in Note 20, the TPS and ISPS schemes are both multi-employer schemes and the School is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. The TPS and ISPS schemes are therefore treated as defined contribution schemes and the contributions are recognised as they are paid each year.

In addition, the School pays contributions to the Downe House Staff Pension Schemes, which are defined contribution pension schemes arranged on behalf of individual employees at an agreed percentage of gross salary. The assets of the pension schemes are held separately to those of the School. Contributions payable to the schemes are charged in the statement of financial activities as they fall due as part of the employment costs.

Grants and allowances

Grants and allowances from restricted and unrestricted funds are included as expenditure in the period for which the award is given.

Government grants, including those received under the Coronavirus Job Retention Scheme (JRS). are recognized when there is reasonable assurance that they will be received. In preparing end of year accounts, the grants were evidenced as received at the reporting date. For the monthly JRS grant income, the income will be recognized in the period to which the underlying furloughed staff costs relate to. The School had incurred the payroll liability and therefore met the conditions to claim for that payroll accounting period. Where furlough of an employee crosses financial reporting periods, this is allocated accordingly.

Concessionary Loans

Loans due from the subsidiary, Downe House Trust (note 12) are made to further the charitable purposes of the Group, are repayable on demand and treated as concessionary loans.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors including expectations of future events that are believed to be reasonable in the circumstances. The Directors believe that no critical judgements have been made that affect the financial statements, but the following significant estimates have been made.

Depreciation rates have been set following consideration of the expected useful lives of each asset classification and annual review.

Accruals and Prepayments are primarily a reflection of timing differences. Where estimates are required these are based on historic evidence.

2 Trading income

The School owns Downe House School Services Limited, whose trading activities include lettings of the School facilities and the provision of goods and services to the parents and pupils of Downe House School and third parties. It donates its taxable profits to the School. Its results for the year to 31 August were:

	2021	2020
	£'000	£'000
Turnover	**40**	37
Cost of sales	**(9)**	(15)
Gross profit	**31**	22
Administration expenses	**(5)**	(4)
Donation to other registered charities	**-**	(4)
Profit on ordinary activities before taxation	**26**	14
Tax on profit on ordinary activities	**-**	-
Profit for the financial year	**26**	14
Donation to Downe House School	**26**	14

Cost of sales include £Nil (2020: £Nil) for accommodation services provided by the School.

	2021	2020
	£'000	£'000
Total assets	**45**	26
Total liabilities	**(45)**	(26)
Net assets	**-**	-

3 Incoming resources from school activities

	2021	2020
	£'000	£'000
Gross fees receivable	**21,664**	20,074
Bursaries, grants and scholarships	**(915)**	(828)
Net fee income	**20,749**	19,246
Registration fees	**85**	83
	20,834	19,329

4 Net (expense)/income before transfers

	2021 £'000	2020 £'000
Net income/(expense) before transfers is stated after charging:		
Depreciation on owned assets	**1,384**	1,413
Operating lease rentals – equipment	**27**	25
Auditors' remuneration		
- for audit services, net of vat (School: £28,000 (2020: £25,000))	**35**	31
- vat on audit services	**7**	6
- Other assurance services	**9**	15
- Tax compliance services	**8**	3
Staff costs		
Wages and salaries	**10,879**	10,829
Social security costs	**1,221**	1,379
Pension contributions	**1,715**	1,728
	13,815	13,936

The average number of employees in the year, calculated on a full time equivalent basis, was 285 (2020: 290) of which 126 (2020: 127) were teaching staff.

During the year a number of staff were furloughed under the Government's Coronavirus Job Retention Scheme, for which funding was received, reducing staff costs by a total of £314,000. (2020 £756,000)

The number of employees whose emoluments exceeded £60,000 were:

	2021 Number	2020 Number
£60,001 - £70,000	**8**	6
£70,001 - £80,000	**6**	6
£80,001 - £90,000	**3**	2
£90,001 - £100,000	**1**	2
£100,001 - £110,000	**2**	3
£250,001 - £260,000		1
£260,001 - £270,000	**1**	

13 of the employees above (2020: 14) have pension benefits accruing under defined benefit schemes and 7 (2020: 6) have pension benefits accruing under a defined contribution scheme.

The emoluments of the highest paid employee above reflects net employer contributions of 16.48% of salary to the Teachers' Pension scheme which ceased with effect from 1 September 2019 when the salary was increased by an amount equivalent to the contributions foregone.

Total emoluments for key management personnel during the year were £537,000 (2020 £559,000). With the exception of reimbursed expenses shown in note 19 and related party transactions in note 27, neither the Trustees nor persons connected with them received any remuneration or other benefits from the School or any connected organisation.

5 Analysis of total resources expended

	Staff costs £'000	Depreciation £'000	Other £'000	**Total 2021 £'000**	Total 2020 £'000
Expenditure on raising funds:					
Trading expenditure	-	-	14	**14**	23
Generating voluntary income	174	-	37	**211**	256
	174	-	51	**225**	279
Expenditure on school activities					
Teaching	7,667	234	1,190	**9,091**	9,392
Welfare	3,662	115	1,340	**5,117**	4,184
Premises	726	976	1,834	**3,536**	3,281
Support costs for schooling	1,586	59	1,009	**2,654**	3,125
	13,641	1,384	5,373	**20,398**	19,982
Governance Costs	-	-	50	**50**	46
Total expenditure	**13,815**	**1,384**	**5,474**	**20,673**	20,307

6 Governance costs

	2021 £'000	2020 £'000
Audit	**42**	37
Other	**8**	9
	50	46

7 Interest payable and similar charges

	2021 £'000	2020 £'000
Interest payable and similar charges		
On bank overdraft and other borrowings	-	-

8 Taxation

The School and its subsidiary undertakings, Downe House Trust and Downe House Foundation were registered charities throughout the year and, as such, were not liable to corporation tax on the surplus of income over expenditure for the year, nor to capital taxes on gains arising from the disposal of assets.

The School is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

Downe House Foundation is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

Downe House Trust is registered for VAT and, where applicable, expenditure is recorded net of recoverable VAT.

Downe House School Services Limited is registered for VAT, and consequently all income and expenditure is recorded net of VAT. Downe House School Services Limited gifts all its profits to the School.

9 Tangible assets

	Freehold land & buildings £'000	Equipment & furnishings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
(a) Consolidated					
Cost					
As at 1 September 2020	37,616	9,150	2,341	198	49,305
Additions	1,299	127	188	47	1,661
Disposals	-	-	-	(12)	(12)
As at 31 August 2021	**38,915**	**9,277**	**2,529**	**233**	**50,954**
Accumulated depreciation					
As at 1 September 2020	9,701	8,264	1,820	159	19,944
Charge for year	947	211	202	24	1,384
Disposals	-	-	-	(6)	(6)
As at 31 August 2021	**10,648**	**8,475**	**2,022**	**177**	**21,322**
Net book value					
As at 31 August 2021	**28,267**	**802**	**507**	**56**	**29,632**
As at 31 August 2020	27,915	886	521	39	29,361

Included within freehold land and buildings is land at a cost of £92,473 (2020: £92,473) which is not depreciated. The Trustees' assessment is that Freehold land & buildings rented by Downe House Trust to Downe House School are being held for the provision of social benefit within the public benefit group and as such have been treated as fixed assets.

At 31st August 2021 the group had committed to spend £Nil on its capital projects in the coming year. (2020: £Nil).

9 Tangible assets (continued)

	Freehold land & buildings £'000	Equipment & furnishings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
(b) School					
Cost					
As at 1 September 2020	779	9,016	2,341	198	12,334
Additions	476	127	188	47	838
Disposals	-	-	-	(12)	(12)
As at 31 August 2021	**1,255**	**9,143**	**2,529**	**233**	**13,160**
Accumulated depreciation					
As at 1 September 2020	109	8,130	1,820	159	10,218
Charge for year	21	211	202	24	458
Disposals	-	-	-	(6)	(6)
As at 31 August 2021	**130**	**8,341**	**2,022**	**177**	**10,670**
Net book value					
As at 31 August 2021	**1,125**	**802**	**507**	**56**	**2,490**
As at 31 August 2020	670	886	521	39	2,116

10 Investments
(a) Consolidated

	Restricted: Appeal Fund Building projects £'000	Expendable Endowment: Bursary and scholarships Fund £'000	Designated: Advance fees £'000	Total £'000
As at 1 September 2020	9	1,284	996	2,289
Additions	1	342	748	1,091
Disposals at opening market value/cost	-	(314)	(720)	(1,034)
Revaluations	-	190	-	190
As at 31 August 2021	**10**	**1,502**	**1,024**	**2,536**
UK Listed securities	-	1,459	748	2,207
Cash and short term deposits	10	43	276	329
	10	**1,502**	**1,024**	**2,536**
Historical cost				
As at 31 August 2021	**10**	**1,153**	**1,024**	**2,187**
As at 31 August 2020	9	1,123	996	2,128
Movement on gains				
Unrealised gains at 1 September 2020	-	161	-	161
Less: Disposals in year	-	(2)	-	(2)
	-	159	-	159
Revaluations in year	-	190	-	190
As at 31 August 2021	**-**	**349**	**-**	**349**

All investments are considered to be programme related investments.
The investments are included in the consolidated balance sheet as follows:

	2021 £'000	2020 £'000
Fixed asset investments	**2,207**	1,085
Current asset investments	**329**	1,204
	2,536	2,289

There are no individually material investment holdings.

10 Investments (continued)
(b) School

	Expendable Endowment: Bursary and scholarships Fund £'000	Designated: Advance fees £'000	Total £'000
As at 1 September 2020	1,284	996	2,280
Additions	342	748	1,090
Disposals at opening market value/cost	(314)	(720)	(1,034)
Revaluations	190	-	190
As at 31 August 2021	**1,502**	**1,024**	**2,526**
UK Listed securities	1,459	748	2,207
Cash and short term deposits	43	276	319
	1,502	**1,024**	**2,526**
Historical cost			
As at 31 August 2021	**1,153**	**1,024**	**2,177**
As at 31 August 2020	1,123	996	2,119
Movement on gains			
Unrealised gains at 1 September 2020	161	-	161
Less: Disposals in year	(2)	-	(2)
	159	-	159
Revaluations in year	190	-	190
As at 31 August 2021	**349**	**-**	**349**

All investments are considered to be programme related investments.
The investments are included in the School balance sheet as follows:

	2021 £'000	2020 £'000
Fixed asset investments	**2,207**	1,085
Current asset investments	**319**	1,195
	2,526	2,280

There are no individually material investment holdings.

11 Stocks

	Consolidated		School	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Stationery and consumables	**19**	20	**19**	20

There is no significant difference between the replacement cost of stocks and the value stated.

12 Debtors

	Consolidated		School	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Fees	**3,553**	3,090	**3,553**	3,090
Sundry debtors and prepayments	**125**	204	**112**	190
Amounts due from subsidiary undertakings (see below)	**-**	-	**35,494**	34,286
	3,678	3,294	**39,159**	37,566

Fees invoiced in advance are shown within creditors (note 13) and amounts not received by the balance sheet date shown above as fee debtors.

	Consolidated		School	
Amounts due from subsidiary undertakings: (see above)	**2021 £'000**	2020 £'000	**2021 £'000**	2020 £'000
Due within one year	**-**	-	**33,628**	32,420
Loan due after more than one year	**-**	-	**1,866**	1,866
	-	-	**35,494**	34,286

Interest is payable from the subsidiary, Downe House Trust, on the amount due within one year at the rate of 1% over bank base rate.

Interest is payable from the subsidiary, Downe House Trust, on loan advances due after more than one year in excess of £866,000 at the rate of 1% over bank base rate. No interest is paid on the remaining loan advances due after more than one year of £866,000.

Amounts due from subsidiary undertakings are unsecured, payable on demand and have been treated as a concessionary Loan.

13 Creditors: amounts falling due within one year

	Consolidated		School	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Bank loans and overdrafts	**-**	-	**-**	-
Trade creditors	**401**	234	**401**	234
Concessionary loans due to subsidiary undertakings	**-**	-	**11,087**	10,441
Taxation and social security	**289**	305	**288**	303
Other creditors and accruals	**479**	595	**454**	579
Refundable deposits	**173**	173	**173**	173
Fees invoiced in advance	**7,501**	7,044	**7,501**	7,044
	8,843	8,351	**19,904**	18,774
Advance fees (note 15)	**175**	203	**175**	203
	9,018	8,554	**20,079**	18,977

The School has a bank facility of £3.5m which was renewed on 29 November 2018 with interest payable at 2.0% over base rate per annum expiring on 31 August 2022. The School also has a bank facility of £2.5m which commenced in July 2021 with interest payable at 1.45% over base rate per annum expiring on 31 July 2024. Both facilities are secured by a guarantee of £6.0m given by Downe House Trust. Downe House Trust has given a legal charge over each of the freehold properties of the Trust.

No interest is payable to the subsidiary, Downe House Trust, on the amount due within one year. This amount is treated as a concessionary loan and is unsecured, interest free and repayable on demand.

14 Final term deposits more than one year

	Consolidated		School	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Due between 1 and 2 years	**181**	178	**181**	178
Due in greater than 2 years	**921**	867	**921**	867
	1,102	1,045	**1,102**	1,045

The creditor arises from the composition of fees fund and retained deposits. Funds are drawn down as they become due. No interest is charged.

15 Advance fees

Parents may pay to the School up to the equivalent of seven years' tuition fees in advance which is held in a balance of Treasury Stocks and cash deposits as appropriate. Such payments may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming pupils remain in the advance fees payment scheme, payments will be applied to offset fees as follows:

	2021	2020
	£'000	£'000
Consolidated and School		
After 5 years	**48**	136
Within 2 to 5 years	**499**	402
Within 1 to 2 years	**181**	127
	728	665
Within 1 year (note 13)	**175**	203
	903	868

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

	£'000
As at 1 September 2020	868
New contracts	233
Amounts accrued to contracts	5
Withdrawal from fund	-
	1,106
Amounts utilised in payment of fees:	
To the School	(203)
As at 31 August 2021	**903**

Any residual balance is transferred to a designated Advance fees fund once all future fee liabilities have been met.

16 Analysis of net assets between funds

(a) Consolidated

The net assets are held for the various funds as follows:

	Tangible fixed assets £'000	Investments £'000	Net current liabilities £'000	Long term liabilities £'000	Total £'000
Endowed funds	-	1,502	-	-	1,502
Restricted funds	1,650	10	-	-	1,660
Unrestricted funds	27,982	1,024	(1,528)	(2,879)	24,599
	29,632	**2,536**	**(1,528)**	**(2,879)**	**27,761**

(b) School

The net assets are held for the various funds as follows:

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long term liabilities £'000	Total £'000
Endowed funds	-	1,502	-	-	1,502
Restricted funds	811	-	-	-	811
Unrestricted funds	1,679	1,024	22,432	(2,879)	22,256
	2,490	**2,526**	**22,432**	**(2,879)**	**24,569**

17 Funds

(a) Consolidated

	Total 1 September 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Investment gains £'000	Total 31 August 2021 £'000
Endowed funds (expendable)						
Olive Willis Bursary and Scholarships fund	1,284	42	(12)	-	188	**1,502**
	1,284	42	(12)	-	188	**1,502**
Restricted funds						
Appeal funds (building projects)	1,519	-	(52)	(23)	-	**1,444**
Foundation	134	82	-	-	-	**216**
	1,653	82	(52)	(23)	-	**1,660**
Unrestricted funds						
Designated funds						
Advance fees	132	-	(7)	-	-	**125**
Non-charitable trading						
Funds	-	40	(14)	(26)	-	**-**
Other unrestricted funds						
Retained income	24,178	20,835	(20,588)	49	-	**24,474**
Total unrestricted funds	24,310	20,875	(20,609)	23	-	**24,599**
Total funds	27,247	**20,999**	**(20,673)**	**-**	**188**	**27,761**

The Olive Willis Bursary and Scholarships expendable Endowed fund provides financial assistance by way of bursaries and scholarships to enable daughters of former pupils of Downe House School and others who, in the opinion of the Trustees, are in need of such financial assistance to be educated at the School. Expenditure in the year related to investment management costs only.

The Appeal funds (building projects) represents cumulative donations made to fund the construction of new facilities and the net book value of those facilities.

The Foundation fund represents funds raised by the Downe House Foundation for educational building projects at Downe House School.

The designated Advance fees fund represents amounts set aside to cover any shortfall in the advance fees account (note 15).

Included within total funds is an investment revaluation reserve of £349,000 (2020: £159,000) for the consolidated balance sheet.

Transfers between funds arise on elimination of intra group transactions on consolidation.

17 Funds

(b) School

	Total 1 September 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Investment gains £'000	Total 31 August 2021 £'000
Endowed funds						
Olive Willis Bursary and Scholarships fund	1,284	42	(12)	-	188	**1,502**
	1,284	42	(12)	-	188	**1,502**
Restricted funds						
Appeal fund (building projects)	835	-	-	(24)	-	**811**
	835	-	-	(24)	-	**811**
Unrestricted funds						
Designated funds						
Advance fees	132	-	(7)	-	-	**125**
Other unrestricted funds						
Retained income	21,226	20,835	(19,703)	(227)	-	**22,131**
Total funds	23,477	**20,877**	**(19,722)**	**(251)**	**188**	**24,569**

18 Financial commitments

Operating leases

At 31 August 2021 the School, and group, had total commitments for items other than land and buildings under non-cancellable operating leases as follows:

	2021 £'000	2020 £'000
Consolidated		
Less than one year	**27**	17
1 to 5 years	**38**	48
Greater than 5 years	**-**	-
	65	65
School		
Less than one year	**26**	16
1 to 5 years	**38**	48
Greater than 5 years	**-**	-
	64	64

19 Trustees

The Trustees do not receive any remuneration. Expenses reimbursed for travelling undertaken on behalf of the School amounted to £485 (2020: £496).

20 Pensions and pension schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS 102, the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £1,340,000 (2020: £1,387,000).

The last valuation of the scheme was as at 31 March 2016. The Government Actuary's report of January 2019 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £218.1 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £191.5 billion.

As from 1 April 2015, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate was assessed at 20.4%, and the supplementary contribution rate was assessed to be 5.6% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 26.0%, which translated into an average employee contribution rate of 9.6% and employer contribution rate of 16.4%

20 Pensions and pension schemes (continued)

payable. The cost-sharing agreement also introduced a 10.9% cap on employer contributions payable which were implemented from 1 September 2015.

From 1 September 2020, the employer contribution rate increased to 23.68%.

From 1 April 2015, the TPS was reformed, with a different benefit structure for a number of members. These changes have been allowed for in the contribution rate set out above.

Independent Schools' Pension Scheme

Certain non-academic staff are members of The Independent Schools' Pension Scheme ('ISPS'). This scheme was introduced with effect from 5 September 1996, to which both the School and staff contribute. The Independent Schools' Pension Scheme is an industry-wide, funded defined benefit scheme.

Under definitions set out in FRS102, the ISPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School has accounted for its contributions as if it were a defined contribution scheme.

Up to 31 August 2021, the school has paid an employer contribution rate of 24.5%. Due to the nature of the scheme, the charge to the statement of financial activities for the year under FRS102 represents the employer contribution payable.

The latest full actuarial valuation of the Scheme was at 30 September 2019. The market value of the Scheme's assets at the valuation date was £193.9m and the value of the liabilities at that date was £230.4m giving a deficit of £36.5m.

The superannuation cost represents contributions payable to the fund and amounted to £45,000 (2020: £50,000). The next full actuarial valuation will be carried out as at 30 September 2020.

Following consideration of the results of the actuarial valuation in 2014 it was agreed that the shortfall would be dealt with by the payment of deficit contributions of £3.47 million per annum from 1 September 2013 to 31 August 2016. From 1 September 2016 to 31 August 2029, deficit contributions of £3.34 million per annum will be required. If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an ongoing funding basis, by 31 August 2029. The School pays a pro rata proportion of the deficit contributions based on details provided by the ISPS. A provision has been recognized for this obligation of £549,000 (2020 £549,000). A summary of movements since 1 September 2020 are noted below:

	£'000
Provision as at 1 September 2020	549
Deficit contribution made	(37)
Increase in provision	37
Provision as at 31 August 2021	549

Other pension schemes

Certain non-academic staff are members of the Downe House Staff Pension Schemes, which are defined contribution insured funds administered by a private pensions company to which contributions are paid as they become due.

The superannuation cost represents contributions payable to the funds and amounted to £330,000 (2020: £333,000). The balance of contributions payable at the year-end was £48,000 (2020: £46,000).

21 Subsidiary undertakings

The principal place of business for all subsidiary undertakings is the same as that for Downe House School as noted on page 1.

Downe House School is the sole corporate Trustee of the Downe House Trust (309091). The trust is managed by the Trustees of the School. The Downe House Trust owns property used by the School for which it received rental payments of £646,000 (2020: £646,000) for the year. The results reported below have been consolidated in the group financial statements after making appropriate intra group adjustments.

Downe House Trust	**2021 £'000**	2020 £'000
Total incoming resources	**647**	646
Total resources expended	**(1,302)**	(1,415)
Net movement in funds	**(655)**	(769)
Total assets	**38,241**	37,697
Total liabilities	**(35,471)**	(34,272)
Total funds	**2,770**	3,425

Downe House School is the sole member of Downe House Foundation. The Downe House Foundation is managed independently of the School, has a separate board of Trustees and raises funds for educational building projects at Downe House School. The results reported below have been consolidated in the group financial statements after making appropriate intra group adjustments.

Downe House Foundation	**2021 £'000**	2020 £'000
Total incoming resources	**82**	134
Total resources expended	**(5)**	(3)
Net movement in funds	**77**	131
Total assets	**427**	350
Total liabilities	**(5)**	(5)
Total funds	**422**	345

As noted on page 2 the Downe House Appeal Fund (2009), charity number 1044896, is dormant with no assets or liabilities.

Downe House School owns the entire share capital of a trading subsidiary undertaking, Downe House School Services Limited, a company registered in England and Wales (2664010) with £2 share capital, called up and fully paid (Note 2).

22 Reconciliation of net income to net cash inflow from operating activities

	2021 £'000	2020 £'000
Net income/(expense) before transfers	**514**	(749)
Depreciation charges	**1,384**	1,413
Gain on disposal of fixed assets	**(1)**	(42)
(Gains)/Losses on investments	**(188)**	20
Investment income	**(14)**	(37)
Decrease/(Increase) in debtors	**(384)**	(1,010)
Decrease/(Increase) in creditors	**584**	(225)
Net cash inflow/(outflow) from operating activities	**1,895**	(630)

23 Cash flows from investing activities

	2021 £'000	2020 £'000
Investment income	**14**	37
Purchase of tangible fixed assets	**(1,661)**	(1,084)
Receipts from sale of fixed assets	**6**	65
Purchase of investments	**(1,091)**	(2,061)
Receipts from sale of investments	**1,034**	1,754
Net cash inflow/(outflow)	**(1,698)**	(1,289)

24 Analysis of changes in cash during the year

	Cash at bank and in hand less overdraft £'000	Total £'000
Balance as at 1 September 2020	3,096	3,096
Cash flows	697	697
Balance as at 31 August 2021	**3,793**	**3,793**

25 Reconciliation of net cash flow to movement in cash

	2021 £'000	2020 £'000
Increase/(Decrease) in cash in the year	697	(1,919)
Movement in cash in year	697	(1,919)
Net funds at 1 September	3,096	5,015
Net funds at 31 August	3,793	3,096

26 Capital

The School is a company limited by guarantee. Each member has undertaken to contribute £1 to the assets of the company to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 August 2021 was £11 (2020: £14).

27 Related party transactions

Trustees whose children attend the School do not receive any concessions on their fees or disbursement charges as a result of their position as a Trustee. Staff members receive a discount of between 50% and 90% of the basic fees.

The group incurred costs of £179,000 of which £Nil was outstanding at 31 August 2021 (2020: £264,000, £4,000 outstanding) in respect of legal services in the year ended 31 August 2021 to Farrer & Co. solicitors, where Ms VJ Exelby is a Consultant.

Trustees donated a total of £Nil (2020 £15,000) during the year.

28 Comparative Statement of Financial activities for the year ended 31 August 2020

	Notes	Unrestricted funds School £'000	Unrestricted funds Others £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2020 £'000
INCOMING RESOURCES						
Donations and legacies		-	-	134	-	**134**
Other trading activities:						
Trading income	2	-	37	-	-	**37**
Premises hire		-	-	-	-	**-**
Income from investments		18	-	-	19	**37**
Income from charitable activities:						
School activities	3	19,329	-	-	-	**19,329**
Other income:						
Gain on disposal of fixed assets		42	-	-	-	**42**
Total Income and Endowments		**19,389**	**37**	**134**	**19**	**19,579**
RESOURCES EXPENDED						
Expenditure on raising funds:						
Trading expenditure	5	-	23	-	-	**23**
Generating voluntary income	5	256	-	-	-	**256**
Expenditure on charitable activities						
School activities	5	19,033	886	52	11	**19,982**
Governance costs	5	42	4	-	-	**46**
Total expenditure		19,331	913	52	11	**20,307**
NET (EXPENSES) BEFORE GAINS /(LOSSES) ON INVESTMENTS		58	(876)	82	8	**(728)**
Net gains/(losses) on investments		(4)	-	-	(17)	**(21)**
NET (EXPENSES) BEFORE TRANSFERS	4	54	(876)	82	(9)	**(749)**
Transfers between funds	17	(133)	156	(23)	-	**-**
NET MOVEMENT IN FUNDS		**(79)**	**(720)**	**59**	**(9)**	**(749)**
Total funds brought forward	17	21,437	3,672	1,594	1,293	27,996
TOTAL FUNDS CARRIED FORWARD	**17**	**21,358**	**2,952**	**1,653**	**1,284**	**27,247**