THE DEAN CLOSE FOUNDATION

England & Wales · Charity number 1086829

Details

Other names	DEAN CLOSE SCHOOL
Status	Registered
Legal form	Charitable company
Company number	04193948
Registered	2001-05-31
Register	View on the Charity Commission register

Contact

Address	Dean Close School Shelburne Road Cheltenham GL51 6HE
Phone	01242258086
Email	office@deanclose.org.uk
Website	www.deanclose.org.uk

Activities

Objects: TO PROVIDE AN EDUCATION FOR CHILDREN BASED FIRMLY UPON CHRISTIAN EVANGELICAL PRINCIPLES IN ACCORDANCE WITH THE SCRIPTURES AND THE TEACHING OF THE CHURCH OF ENGLAND.TO PROVIDE ASSISTANCE WITH THE RESOURCES AVAILABLE TO THE SCHOOL FOR THE EDUCATION OF CHILDREN OF PARENTS OF LIMITED MEANS WHO WOULD BENEFIT FROM SUCH AN EDUCATION.

Activities: Education of boys and girls based on Christian principles. Encouragement of personal development in a culture of service to the school and wider communities.

Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

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Geography

- **Area of benefit:** DEAN CLOSE MEMORIAL SCHOOL.
- Gloucestershire
- Monmouthshire
- Newport City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£63,803,816	£35,483,342	£46,753,406	848
2024-08-31	£33,157,225	£32,570,109	£18,500,771	781
2023-08-31	£30,278,855	£30,099,501	£17,627,301	695
2022-08-31	£28,066,094	£28,208,235	£17,560,187	678
2021-08-31	£25,275,783	£25,064,625	£18,043,313	658

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Trustees

Name	Role	Appointed
Air Vice Marshal Ray Lock		2022-10-05
Brig Matt Cansdale		2024-06-15
Caroline Pellereau		2025-09-01
Debra Ritsperis		2025-09-01
FRANKIE KNIGHT		2023-01-21
Francis Shaw		2024-01-20
Gary McDonald		2020-02-01
KATHRYN ANN CARDEN		2013-09-02
Mark Hughes		2023-01-21
Mark Smith		2023-06-23
Rev Malc Allen		2023-01-21
Simon David Bullingham		2017-08-03
Simon Pilcher		2025-09-01
Stephen Holliday		2021-09-18
matthew paul Smith		2015-09-19

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THE DEAN CLOSE FOUNDATION

England & Wales - Charity number 1086829

Accounts

Registered Charity Number: 1086829
Registered Company Number: 04193948

THE DEAN CLOSE FOUNDATION

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

THE DEAN CLOSE FOUNDATION

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THE DEAN CLOSE FOUNDATION

TRUSTEES, OFFICERS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2025

The Directors of the Company, who are referred to throughout these financial statements as the Trustees, are listed below, along with the Members of the Company and the main sub-committees.

President
Dame J Trotter

Council of Members
The Rev'd M Allen, BA
Mrs J Bee, BSc
Mrs V Beevers
Mrs S Bennett, BA
*A R Bird, OBE, BA
M Bowen
H Bradby BA, MA
S Bullingham MSc, BSc
R Byrd, FCA, FCCA
Brig. M T Cansdale, MBE, BA
Mrs K A Carden CBE, FRSA, BA, MPhil
Mrs H S L Daltry, BA
*Mrs N C Davies, BA
B Davies OBE
Mrs C Dowler
C S S Drew, MA
I A Duffin, BCom, FCA
Mrs R Eden
Mrs C Fletcher MA
S Foster, BA
B Harding, MBA
P Harvey, MA
Mrs T Haynes, BSc (Hons)
*R Hilldick-Smith, MEng, CEng, IMechE
Mrs A Hillman, BA
Mrs S L Hirst, BEd
S W Holliday, MA
*M A Hughes, BSc
A J Hunt
A Judge
Miss R A Keens, BEd
I Kilpatrick, BA Med
*Mrs F Knight BA
R Lewis, BSc
AVM (Ret'd) R Lock, CBE, BSc
The Rev'd R Mackay
D Main, FCA, FCCA
Mrs A Marsden, BSc MA
G McDonald, B.Comm B. Acc
*J Moos, Mcomp (Hons) CCP MCIS
*Mrs C Morris
*D Mullins, BSc, FCA
B Nicholas, MA
*Mrs C J Pack, MRICS

THE DEAN CLOSE FOUNDATION

TRUSTEES, OFFICERS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Council of Members (continued)
C Pellereau, BSc, MA
*M Philip-Sorensen
S Pilcher, BA
Dr A Porter
Mrs K Riding, LLB
D Ritsperis, BA, BSc, MA
F J Shaw, MA, MSc, CEng, CSci
P Silvester, ACIB, BA
M Smith, MA, MBA, ACIB
M P Smith, MA
Mrs C Stallard, BA
Mrs B Sullivan
S Thomas, BA, LLM
S Thomas, BA, LLB
*A J Thompson
*J Townsend, MA
Dame J Trotter, OBE DBE CVO
*T Widdowson
The Rev'd Canon Dr P R Williams, CStJ, DL
Rt Rev'd Paul Williams

Board of Trustees
The Rev'd M Allen, BA
S Bullingham, MSc, BSc
Mrs K A Carden, CBE, FRSA, BA, MPhil., (Chairman)
Brig. M T Cansdale, MBE, BA
Mrs H S L Daltry, BA (retired 18 January 2025)
L Glaser (retired 21 September 2024)
S W Holliday, MA
*M A Hughes, BSc
*Mrs F Knight BA
AVM (Ret'd) R Lock, CBE, BSc
G McDonald, B.Comm B. Acc
Mrs C M Pellereau, BSc, MA (appointed 1 September 2025)
S H W Pilcher, BA (appointed 1 September 2025)
Mrs D K Ritsperis, BA, BSc, MA (appointed 1 September 2025)
F J Shaw, MA, MSc, CEng, CSci
M Smith, MA, MBA, ACIB
M P Smith, MA

Finance & General Purposes Committee
S Bullingham, MSc, BSc
Mrs K A Carden, CBE, FRSA, BA, MPhil
Mrs H S L Daltry, BA (retired 18 January 2025)
*M A Hughes, BSc
G McDonald, B.Comm B. Acc
S H W Pilcher, BA (appointed 1 September 2025)
M P Smith, MA
M Smith, MA, MBA, ACIB

* Old Decanian

Status and Administration

The Dean Close Foundation (referred to as the Charity or the Foundation throughout these financial statements) is a registered charitable company that incorporates the charitable institution originally founded in 1886. Its charity number is 1086829, its company number is 04193948, and its Articles of Association were adopted on 4th April 2001 and most recently amended on 28 May 2021. The liability of the Members is limited by guarantee.

Clerk to the Trustees	A P Bowcher MBA, FCIB, DipFS
Treasurer	M P Smith, MA
Company Secretary	M A Madeley BA, FCCA
Registered Office and Principal Address	Shelburne Road Cheltenham Gloucestershire, GL51 6HE
Banker	HSBC Bank plc 2 The Promenade Cheltenham Gloucestershire, GL50 1LR
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol, BS1 4QA Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire, GL50 1YD
Independent Auditor	Crowe U.K. LLP 4th Floor St James House St James Square Cheltenham Gloucestershire, GL50 3PR
Insurer	Zurich Insurance plc The Zurich Centre 3000 Parkway Whiteley Fareham Hampshire, PO15 7JZ Policy No. KSC-252038-7703 (includes Employers' Liability and Public Liability)
Investment Manager	Rathbone Investment Management 1 Curzon Street London, W1J 5FB

THE DEAN CLOSE FOUNDATION

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees of The Dean Close Foundation present their Annual Report for the year ended 31st August 2025 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

DIRECTORS' REPORT

COUNCIL AND CHARITY TRUSTEES

Organisation

The Members of the Company, known as the Council, (details as disclosed on pages 1 and 2) are responsible for the election of the Directors, who are referred to throughout this report as the Trustees. The Members also receive the Annual Report and Accounts at the AGM each year. The Foundation's constitution provides for up to fifteen Trustees, drawn from the Council, who retire by rotation after four years and are eligible to serve up to a maximum of three terms of four years.

The Trustees determine the Charity's strategic direction and monitor its operational performance closely, providing the Warden, Chief Finance and Operations Officer, Heads and Senior Leadership Teams with direction, leadership and support as appropriate. The Board meets four times each year. The work of overseeing the implementation of Board policies and decisions is carried out in large part by the Finance and General Purposes Committee (F&GPC) which meets at least six times per year. Specifically, the F&GPC scrutinises all budgets, management and statutory accounts, business plans and major capital proposals, before these are submitted to the Board for approval.

Following the annual review of Governance, it was agreed to retain the existing committee structure.

The F&GPC as detailed above with the other principal Board committees are:

- the Foundation Estates Planning Committee, which meets at least every 2 months to discuss the longer-term strategy for the estate and management of larger capital projects.
- the Curriculum Development Committee, which meets termly, offers strategic guidance on future academic developments within the Foundation and across the schools.
- the Remuneration Committee, which sets the salary and emoluments for the Warden, Chief Finance and Operations Officer, Heads and Senior Leadership Teams meets termly.
- the Nominations Committee, which is responsible for succession planning for both the Council of Members and Board of Trustees meets termly.
- the Health and Safety Committee, which meets termly with Board representation.
- the Safeguarding Committee, which meets at least termly with Board representation.
- the Concessions Working Party, which meets at least twice each year to scrutinise policies and resourcing of scholarship and bursary awards and other concessions.
- the Development Board, which meets termly with Board representation, and is responsible for oversight of fund-raising and other development plans.

The day-to-day leadership and management of the Foundation is delegated to the following:

Warden/CEO	Mrs E L C Taylor (resigned 31 August 2025 Mrs A Bizior (appointed 1 September 2025)
Head, Dean Close School	Mr B Salisbury
Head, Dean Close Preparatory School	Mr P Moss
Head, Dean Close Pre-Preparatory School	Mr J Cowling
Head, Dean Close St John's School	Mr T Rainer (appointed 1 September 2024)
Head, Dean Close Airthrie School	Mr J Dobbie
Head, Dean Close Kingham Hill School	Mr P Last
Chief Finance and Operations Officer	Mr A P Bowcher

Charity Governance Code

The Trustees have taken note of the seven principles set out within the Code and recommended practice. Whilst the Charity has not yet formally adopted the Code, Trustees apply the Code's recommended practices and more detailed information as to how this has been done is included within this Annual Report.

Stakeholder Engagement and Section 172 (1) Statement

The Trustees, as Directors, must act in accordance with a set of general duties. These duties are detailed in section 172 (1) of the Companies Act 2006 which is summarised as follows:

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the Company.'

The Trustees consider that they have fulfilled their duties in accordance with section 172(1) of the Companies Act 2006 and have acted in a way in which is most likely to promote the success of the Foundation for the benefit of its stakeholders as a whole in the following ways:

Pupils

All pupils benefit from the Foundation schools' focus on individual development and on the aim of nurturing each child's strengths and talents within a caring and secure family environment. Pupils are actively encouraged to offer comments and suggestions on the operation of the Foundation through School Councils and a range of other consultative opportunities, and these are considered in decisions made by the Senior Leadership Teams.

The Foundation's schools all subscribe to the 'Dean Close DNA' of Values (Love, Courage and Contribution) and Skills for the Future (Compassion, Collaboration, Communication, Critical Thinking and Creativity), weaving these into the curriculum and co-curriculum to support the pupils by developing the aptitudes and attitudes to allow them to flourish and for future employment and service.

Employees

The Foundation recognises that the qualities and skills of its employees and the commitment of its staff play a major role in its success. Weekly briefings keep staff informed of school wide matters of interest and there are many opportunities for staff training and development. In addition, termly inset offers opportunities for staff to engage with the wider Foundation strategy and direction and to receive updates from the Warden, Chief Finance and Operations Officer and Trustees. Staff have many opportunities to offer ideas, raise concerns and comment on the activity of the Foundation through surveys, cluster groups and Common Room representatives. Emphasis this year has been placed on completing the Healthy Workplace training plan for all staff, and the Healthy Leadership training plan for middle and senior leaders, both designed to enhance the skills of staff to enable team leaders to get the best from their teams, and to support health, and sustainable working practices.

Parents

The Foundation continues to communicate regularly and to engage with parents and guardians, and a weekly summary of news and events is emailed to them from each school. Opportunities for parents to attend fixtures, concerts, drama productions and chapel events continued during this year, and the full range of Speech Day and prize-giving events took place in the Trinity Term 2025.The Foundation also carried out several parental surveys to measure parental satisfaction and to identify areas for celebration and for improvement in the schools' provision. These plans were communicated back to parents by the Heads.

Community

The Foundation is proud of its place within the local and wider community and endeavours to offer support and collaboration where possible by making available many of its facilities at below commercial rates. It also invites local schools to participate in specific sports and other events and to share various facilities. Dean Close School is a founding member of the Cheltenham Education Partnership, which includes 11 secondary schools in Cheltenham, with the aim of improving outcomes for all young people of secondary age in the area. The School is also a founding member of the Independent Schools' Christian Alliance, working with other schools across the country who share a similar ethos, and has partnerships with schools in Uganda and Chengdu, China, with the aim of improving pupil outcomes both for Dean Close pupils and those of the partner schools.

Recruitment and Remuneration of Senior Management

Remuneration of senior employees is set by the Remuneration Committee, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the Foundation's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the Foundation remains sensitive to the broader issues of pay and employment conditions elsewhere. The Foundation aims to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the Foundation's charitable vision and purpose is primarily dependent on its key management personnel and staff costs are the largest element of expenditure.

Recruitment and Training of Trustees

The Nominations Committee makes recommendations for the appointment of Members and Trustees. Candidates are selected with regard to their availability, eligibility, commitment, specialist skills and Christian standing, and are appointed at a General Meeting of the Members. All new Members receive an induction pack of relevant documents outlining their responsibilities and attend an induction workshop conducted by the Chairman, Warden and Chief Finance and Operations Officer, at which the Foundation's organisation and policy are discussed and the responsibilities and duties of Members and Trustees are fully explained. New Trustees also receive induction training provided by either the Foundation's solicitors or an independent external body. Following a rigorous review as specified in the Charity Governance Code, the Board of Trustees have agreed by Special Resolution to extend the term of the current Chairman beyond 9 years to 2026.

Trustees attend a range of external training days on a schedule kept by the Chief Finance and Operations Officer. Additionally, Trustees receive briefings from the Chief Finance and Operations Officer and one Board meeting per year is primarily devoted to training on governance issues and matters of current concern. A thorough programme of online training is undertaken via Educare.

Legal Structure of the Foundation and Definition

The Charity has three wholly-owned non-charitable subsidiaries, Dean Close Services Limited (DCSL), Dean Close Nurseries Limited (DCNL) and Dean Close Education Limited (which is dormant for the year ended 31 August 2025). The results of the subsidiaries are included in Note 3 of the Financial Statements. The annual profits of both subsidiaries are donated to the Foundation under the Gift Aid Scheme. The trading activities of the subsidiaries comprise letting of the Foundation facilities when not in use by the Foundation, the provision of courses, revenue from the Foundation shops and the operation of day nurseries. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report. When this report refers to 'Group', it means the combined finances of the Charity (The Dean Close Foundation) and its three subsidiaries, DCSL, DCNL and Dean Close Education Limited.

OBJECTS, AIMS AND OBJECTIVES

When reviewing the aims and objectives of the Foundation and in planning its future activities, the Trustees consider its charitable objectives and Strategic Plan.

Charitable Objects

The Charity's Objects, as set out in its Articles, are the advancement of education, including the provision of schooling for children based firmly upon Christian evangelical principles and the provision of assistance with the resources available to the Foundation for the education of children with parents of limited resources. The Charity also has various restricted reserves enabling it to award modest scholarships, bursaries and prizes, as well as a few un-endowed trust funds held for special purposes in connection with the development of the Foundation's facilities.

Mission statement

The Charity's mission is to provide the necessary education and appropriate training to enable children and young people to flourish and to achieve their potential as individuals, and thereby to ensure that as adults they will be confident and successful members of society and effective contributors to it.

Intended impact

Within its charitable objects, the Charity's intention is to provide first class childcare in its nurseries and a first-class education through strong academic tuition and by developing broader skills that enable every pupil to realise his or her potential to the full. This involves emphasis on co-curricular activities through academic, sporting, artistic, team building and social skills, as well as encouraging spiritual awareness and self-reflection. This approach builds self-confidence and life skills in the Foundation's pupils and inculcates a desire to learn and a willingness to contribute to the wider community whilst at school and in later life. The Charity believes that the true impact of education can only be measured over the long term in the contribution alumni make to their communities. It endeavours to measure this impact by staying in close contact with alumni, conducting regular surveys of their activities and contributions to society.

Aims

The aim of the Charity is to provide high-quality education and care for day and boarding pupils from Nursery (age approximately 3 months) to Upper Sixth level (18/19 years). During the year under review, this was carried out by 9 nurseries and 6 schools operating in Cheltenham, Gloucester, Chepstow, Kingham, Newport, Tewkesbury and Stroud. The nurseries and schools are overseen jointly by the Trustees, through the Warden and Chief Finance and Operations Officer.

Most of the children from Dean Close Preparatory School enter the Senior School and the vast majority of those leaving the School after A Levels have historically sought entry to universities and other higher education establishments. Pupils from Dean Close St John's School (at 13) and Dean Close Airthrie School (at 11) enter a variety of different senior schools, including Dean Close School. In addition to the academic life of the Schools, pupils' co-curricular activities include an extensive range of musical, dramatic and artistic activities as well as sports training, with many teams achieving success at county and national level. The needs of the wider community are addressed through an imaginative and wide-ranging Community Action and Partnerships programme and the Foundation makes many of its facilities available to the community and to local charities at reduced rates.

Christianity is at the heart of the Charity, both in its aim and values and in practice, in regular formal services and voluntary Christian Union groups, bible study classes and an active Chaplaincy. The Foundation's educational policy is built upon its Christian principles and Trustees aim to ensure that pupils of all faiths and none are encouraged to consider their own response to questions of faith based upon a clear understanding of the Christian message. The Charity has defined its aim and values, based on the principles of biblical Christianity, and these are embedded in every aspect of its activities. The overarching aim is Flourishing, and the three key values are Courage, Love and Contribution.

The Charity aims to maintain a warm family atmosphere and a very high standard of pastoral care for all members of its community.

Objectives

- To make excellent provision for teaching and learning, ensuring that the curriculum is giving an outstanding preparation for life after school.
- To continue to improve the quality of the Foundation's facilities.
- To recruit, retain and develop excellent staff, both teaching and non-teaching.
- To maintain a broad and appropriate range and variety of co-curricular activities for all children and young people and to promote and develop sporting, musical, dramatic and artistic achievement, and spiritual awareness, across the Foundation.
- To sustain pupil recruitment in the face of ongoing difficult economic circumstances and to continue to widen access to Dean Close by the provision of means-tested assistance both for new applicants and in hardship cases affecting existing pupils.
- To develop further the Charity's commitment to partnerships, locally, nationally and internationally.

Strategies to achieve the Objectives

- Recruitment, induction, appraisal, mentoring and training of staff to ensure they are providing the very best quality of experience for children and young people, inside and outside the classroom.
- Constant review and innovation within the curriculum and co-curriculum, ensuring the needs of children and young people are met with a keen eye on the future requirements of universities, employment and wider society.
- Employment of highly qualified, specialist staff to maintain standards of sport, music, and drama.
- Continued investment in Foundation facilities through ongoing maintenance and through selected refurbishment and enhancement of facilities, particularly in boarding.
- Fundraising to support three key areas of development: campus, community and curriculum.

The aims and objectives set for the Charity's subsidiaries are to donate profits to facilitate the achievement of the Charity's aims and objectives as above.

EMPLOYEE INFORMATION

Online resources via a policy portal are in place for members of the teaching and support staff; a number of important measures, including the development of a universal appraisal system, have been introduced for members of the Charity's teaching staff. Considerable time and effort is expended in ensuring that all members of staff are kept fully informed about new developments and in addressing questions and any concerns.

A significant amount of staff time is devoted to ensuring that the Charity's policies are fully compliant with current legislation and best practice. The Charity seeks to work with all employees, taking into account their personal circumstances, to ensure that appropriate training, development and advancement opportunities are available to enable them to reach their full potential. The Charity is committed to a policy of equal opportunity in employment. The aim of the policy is to ensure that:

- selection criteria and procedures are in place to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.
- no job applicant or employee receives less favourable treatment on the grounds of their gender, gender reassignment, marriage or civil partnership, pregnancy and maternity, sexual orientation, disability, race, colour, ethnic background, nationality, religion or belief or age.
- no employee suffers harassment or intimidation.

DISABLED PERSONS

The Charity will employ disabled persons when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are the Directors of The Dean Close Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

STRATEGIC REPORT

Principal risks and other matters of strategic importance

The Board of Trustees is responsible for the management of the strategic risks faced by the Charity. Detailed consideration of risks is delegated to the Finance and General Purposes Committee, assisted by the Warden and the Chief Finance and Operations Officer. Risks are identified and assessed and controls are implemented and monitored regularly. The Charity's Risk Model is reviewed and updated on a termly basis by the Warden and Chief Finance and Operations Officer, with Trustee input and overview and then presented to the Finance and General Purposes Committee for approval.

The key risk controls used by the Charity include:

- maintenance of a comprehensive Risk Register.
- formal agendas and minutes for all Committee and Board meetings.
- detailed Terms of Reference for all Committees, which are regularly reviewed.
- comprehensive strategic planning, budgeting and management accounting procedures.
- a well-established organisational structure and clear lines of reporting.
- a comprehensive range of formal, written policies.
- clear authorisation and approval levels.
- vetting procedures as required by law.

Through its risk management processes, the Board has concluded that the major risks currently confronting the Charity are:

- the generation of insufficient surplus to fund the objectives of the Strategic Plan.
- the impact of VAT on school fees and the removal of Business Rates Relief announced by the new Government on enrolment numbers, and participation in extracurricular activities.
- a downturn in the demand for independent education driven by economic conditions both nationally and internationally, and current parental affordability concerns.
- increased cost caused by changes in Government policy.

The Board is satisfied that all major risks identified have been adequately mitigated where necessary and possible. It is recognised that such systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. The diversification of income streams and growth strategies for Dean Close Nurseries Limited and Dean Close Services Limited will continue to reduce risk in the longer term.

Results for the year

Total full-time equivalent pupil numbers across all Dean Close schools for the year were 1,109 and on a like-for-like basis were very similar to those of the previous two years.

The consolidated trading surplus for the year before financing costs, investment gains, depreciation and amortisation of goodwill was £2.2m (2024 £2.61m). This was behind budget because of the adverse effects of the Government's budget in October 2024. This added VAT to school fees, removed the 80% discount on Business Rates and increased the cost of national insurance significantly. The high costs of the budget were in part offset by cost efficiencies and strong growth of DCSL and in particular DCNL. We opened one new nursery in Tewkesbury and acquired two nurseries in the Stroud area. This brings the number of Day Nurseries to nine.

Results for the year (continued)

Overall the incoming funds from operations was a £28.3m surplus and after investment losses the net movement in funds was a surplus of £28.2m (2024 £873k)

Two transactions need particular mention.
A farm of some 324 acres in Oxfordshire was gifted to the DCF during the year. The value was £5.5m and is restricted in its purpose to generate income to fund transformational bursaries, the asset will be treated as an investment asset.
Kingham Hill School, a boarding / day school with pupils from school year 7 to 13 donated it's trade, assets and most liabilities to DCF completing on the 31st July 2025, the net asset value of which is treated as a donation of £23.6m. Total fixed assets of £27.5m and a loan of £3.8m was refinanced.

With the two gifts mentioned above total incoming resources were £28.3m. The diversity of the Foundation's income streams is one of the key elements in reducing risk within the business model. Achieving a healthy level of cash surplus from the four areas: Schools, Nurseries, Commercial activities and donations is the strategy.

Total expenditure increased by £2.9m (9.2%) and was above budget. Extract the 3 aforementioned impacts of the October 2024 budget and it would have been under budget. The cost base continues to be actively managed.

Capital investment during the year totalled £2.1m. This included the building of a six lane cricket net facility, a large Estates building, refurbishment and repurposing of a large signal box purchased from GWR.

The Balance Sheet has been strengthened by the aforementioned gifts and financial performance. The Total net assets have risen from £18.5m to £46.7m. With Tangible Assets (freehold land and buildings) increasing by £28.3, Investments by £5.5m and on the liability side we refinanced a £3.7m loan of Kingham Hill School and took that over. School fees became liable for VAT during the year. The rules for VAT require the traditional early issuance of Michaelmas bills now to be treated as a tax point and therefore increase debtors with a VAT creditor even though the invoices are not due until the first day of term. This has created a debtor of £8.3m a VAT creditor of £1.7m and a deferred income creditor £6.3m. So nil net effect. Balances held for fees paid in advance reduced from £4.7m to £3.7m. The consolidated cash flow statement sets out the movement in funds during the year and explains how cash has been utilised.

The Trustees are satisfied with the overall financial position.

Review of achievement and performance for the year

The schools within the charity achieved strong pupil numbers, with numbers at Dean Close School at their highest in the school's history.

The Foundation continued to invest in IT infrastructure, cyber security and safety of Personal Data were a particular area of investment and training.

Infrastructure and facility improvements continued, including investment in a sixth form boarding house at Dean Close School and refurbishment of the Old Gym.

At Dean Close School, those taking public examinations performed well, achieving 66% A*-B grades at A level, with 40% of pupils achieving AAB or better. Over 90% of Upper Sixth leavers were accepted at either their first or second choice university. New A level courses in Sociology, Photography and Media Studies were added to the range of options at Sixth Form level.

Dean Close sports teams performed well across the year, with high participation rates: at Dean Close School 100% of all pupils in Y9 and Y10 represented the school at sport across 12 different sports. A 1st XI girls hardball Cricket programme was established.

A variety of drama productions took place during the year, including senior productions of 'Anything Goes', 'Mayfly Angel' and 'Our Day Out'. At DCPS the Junior Forms production of 'Hoodwinked' featured every pupil in Years 3-5. The annual 'Three Schools Dance Show' at the Bacon Theatre was a great success.

The annual music concert programme was of high quality and was well-attended and supported across the schools. The Summer Concert at DCS featured a quintet of former choristers of the Schola Cantorum and the premier of an original wind quintet by one of the Upper Sixth leavers. At Dean Close St John's a 'School of Rock Day' featured guitar-workshops, making a record player and digital music-making. The Dean Close Pre-Prep strings group 'Squirrel Strings' won the Cheltenham Festival of Music.

A full programme of trips and tours took place, including DCSJS visiting South Africa.

The 'Foundation Stones' values continued to be embedded across all the Schools and nurseries during the year, with reward systems to promote the Aim and Values of Flourishing, Courage, Love and Contribution, as well as assemblies, PSHCE lessons and tutorials focusing on their development.

Dean Close won national recognition by gaining the Talk Education Award for 'Thinking Beyond the Curriculum', given for innovative ideas and initiatives. The 'Skills Lab' at DCS and the new Saturday Curriculum '5Time' at DCPS were among the initiatives rewarded.

Review of achievement and performance for the year (continued)

The Charity's partnership work continued and was strengthened during the year, particularly in the Cheltenham Education Partnership work with other secondary schools in Cheltenham. Staff and pupils took part in a number of collaborative activities throughout the year, including the 'Changemakers' programme focusing on sustainability and climate change.

In February 2024, Dean Close School, Dean Close Preparatory School and Dean Close Pre-Preparatory School were all inspected by the Independent Schools' Inspectorate. The schools met all the relevant standards including those for boarding. The Board of Trustees and school leaders were described as 'thoughtful and rigorous' in their planning for the future development of the schools. The report on Dean Close School referenced the quality and variety of co-curricular provision, which 'allows pupils of all ages and aptitudes to participate and develop skills such as effort, self-motivation and teamwork.' At Dean Close Preparatory and Pre-Preparatory Schools the report commented that 'Staff conduct skilful assessment and their in-depth awareness of individual pupil needs supports all groups of pupils'.

Energy and emissions report

With its Compliance Strategy now in place, the Foundation is actively developing ways to reduce emissions and waste across all sites.

During the year, the Foundation implemented several energy-efficiency initiatives, including:

- Continuing the rollout of LED lighting conversions and replacements across all locations
- Replacing numerous boilers, selected based on efficiency, waste output and emission levels
- Installing solar panels and battery storage on a newly purchased nursery
- Embedding sustainability as a key consideration in every capital investment decision across the Foundation

The Foundation also works closely with an external consultancy that advises on energy-related matters, helping identify opportunities to reduce the organisation's environmental footprint as quickly as possible.

A summary of key data is as follows:

	2025		2024	
	Usage (kWh)	**Emissions (tC02e)**	Usage (kWh)	Emissions (tC02e)
Gas	**6,009,771**	**1,080.04**	6,668,973	1,198.11
Electric	**2,378,430**	**414.35**	1,932,404	393.80
Transport	**206,590**	**48.54**	189,660	46.80
Total Consumption	**8,594,791**	**1542.93**	8,791,037	1,638.71
Intensity ratio (Emissions per FTE)		**2.91**		3.17

UK energy use covers the use of natural gas for heating and cooking and electricity for heating and lighting across all entities of the Dean Close Foundation. Associated greenhouse gases have been calculated using the Gov.uk 2025 conversion tables using 0.18259 per kWh for natural gas and 0.17700 per kWh of electricity in each reporting year.

Grant-making policy

Trustees are committed to broadening access to Dean Close schools by offering means-tested bursaries based on an assessment of financial need to pupils whose parents/guardians are unable to pay the full fees.

This year, the value of means-tested bursaries, clergy and Armed Services awards and other concessionary fees was £3.3m (2024: £3.3m), with a further £0.9m (2024: £1.1m) awarded in the form of scholarships and exhibitions. The Foundation's policy is to widen access to Dean Close to all sectors of the community by providing means-tested assistance with up to 100% of school fees for deserving children and to relieve hardship where an existing pupil's education and future prospects may otherwise be at risk. Fundraising continues to provide major awards, known as Foundation Awards and the school is extremely grateful to and thanks donors for their support.

Scholarships were made available to entrants aged 11, 13 and 16 for outstanding ability in academic work, music, art, sport and drama. Such awards are limited to a maximum of 20% of the school fees for any individual. Minor awards were also extended to a small number of children entering the Preparatory School at age 7.

Fundraising performance

Donations, gifts and legacies totalled £29m in the year (2024: £144k) of which were £96k are restricted funds, £23.5m unrestricted funds and £5.4m endowment funds. Further details concerning restricted donations are included in Note 19b to the Financial Statements. The Trustees wish to record their thanks for the many kind and generous donations received throughout the year, without which this and other initiatives would have either been delayed or not been possible.

Fundraising is overseen by the Development Committee which is chaired by a Trustee and includes other Trustees. The Development department carries out day to day fundraising tasks assisted by an external Consultant. Particular attention continues to be given to the management of data and the protection of vulnerable people. The Foundation has had no complaints about its fundraising activities this year.

Investment powers, policy and performance

The Trustees' powers for the investment of its corporate funds are set out in the Articles of Association and are, subject to statutory requirements, broadly equivalent to those of an individual beneficial owner. For the investment of the trust funds that it administers, the Foundation is subject to the Trustee Act 2000.

The Trustees' policy is to obtain a return of capital gain and reinvested dividends on the invested funds at a suitable benchmark, thereby enhancing the Foundation's ability to provide scholarships, bursaries and prizes in future years and preserving the capital value of the underlying investments.

The Charity's investment portfolios are managed on a discretionary basis under an agreed set of investment parameters that are stated in the Foundation's Investment Policy. Portfolio performance is reported termly against an agreed benchmark and the Foundation's Investment Manager provides six-monthly briefings to the Finance and General Purpose Committee which include detailed analysis of the portfolio's performance, overviews of market conditions and their strategic approach to obtaining an optimal return on the Charity's investments.

At the year end the Group's long term investments totalled £3.7m (2024: £3.7m). The stable portfolio valuation was a satisfactory performance in a year of varying world stock markets in most geographical areas.

Endowment
The Gift of the farm is an investment asset and treated as an Endowment fund and totalled £5.4m at year end.

Reserves level and policy

The Charity's policy is to invest in premises and equipment to support the business and education requirements of the Charity, while ensuring adequate financing of day-to-day operational needs and the maintenance of adequate reserves to meet any contingencies as they arise. Therefore, retained surpluses are not held as free reserves, but are normally utilised for improvements to the Charity's facilities. This policy is supported by external financing as and when necessary which is allocated to specific capital projects.

The Group's total reserves of £46.8m (2024: £18.5m) at the year end represented £5.8m (2024: £0.47m) endowment capital, £0.60m (2024: £0.61m) unspent restricted funds and £40.3m (2024: £17.42m) unrestricted funds. £50.8m (2024: £24.4m) of this represented the net book value of fixed assets less associated long term funding arrangements, leaving negative free reserves of £10.4m (2024: negative £7m) at the year end.

Resources

The Charity has at its disposal restricted and unrestricted funds which are invested by Rathbone Investment Management in a broad portfolio of bonds, equities and cash, as disclosed in note 12.

The Charity has a main bank overdraft facility of £3m to service working capital requirements. The bank loan facility has been utilised as planned to provide funding to deliver ongoing capital developments which form part of the overall Strategic Plan. The Charity's corporate and trust funds all have sufficient realisable assets appropriate to meet their respective obligations.

FUTURE PLANS OF THE DEAN CLOSE FOUNDATION

The Charity's Strategic Plan sets out the Dean Close values, vision and ethos. The focus of The Plan is sustainability: financial, educational and environmental. The Plan is built around four pillars:

- Educational excellence;
- Financial sustainability;
- Employee engagement;
- Partnership collaboration.

Around these pillars, the plan establishes medium to long-term aims, which are:

- To cement and sustain the Foundation's strong academic reputation while avoiding selection based on academic grounds alone;
- To remain a flourishing, co-educational community for families, with excellent boarding and day facilities and excellent childcare support in its nurseries;
- To continue to develop excellent relationships with parents and families and to provide the highest possible standards of pastoral and tutorial support;
- To sustain a reputation for excellence in the creative and performing arts and in sport;
- To continue to develop the work of the Chaplains and the chaplaincy teams, developing young Christian leaders and promoting spiritual development;
- To maintain and increase pupil numbers throughout the Foundation, particularly at Dean Close St John's School and in boarding;
- To continue the growth in earnings of Dean Close Services Limited and Dean Close Nurseries Limited, in order to invest those earnings in facilities across the Foundation;
- To establish an improving cost to income ration. A lower cost base;
- To be excellent employers; recruiting, training and developing outstanding staff;
- To develop and sustain partnerships with other organisations, locally, nationally and internationally; and
- To continue to develop community access to the Foundation's facilities and to widen access to independent education through the provision and active promotion of means-tested bursaries.

The Development Board oversees fundraising activity towards our three major campaign objectives; campus, community and curriculum:

- Campus – to renew the academic heart of Dean Close School, creating innovative and exciting teaching spaces with an emphasis on preparation for modern working life.
- Community – to establish a long-term endowment supporting Foundation Awards, which are transformational bursaries for deserving and talented pupils.
- Curriculum – to establish a curriculum through all the age groups which emphasises Skills for the Future, including links with industry through parents, alumni and local partners.

FINANCIAL STATEMENTS

The financial statements on pages 22 to 51 have been prepared in accordance with the Charities Statement of Recommended Practice FRS 102.

KEY ITEMS IN THE STATEMENT OF FINANCIAL ACTIVITIES

Restricted income comprises dividend income from investments, rental income and donations. The endowed reserve contains the unamortised portion of the Arts Council Grant made for the construction of the Music School in 1997. It also includes a generous farm gift. The Foundation's non-charitable trading includes the following activities of Dean Close Services Limited: the operation of the Bacon Theatre, lettings of certain parts of the Charity's property to provide access for external groups to sporting, music, drama and other facilities, together with income from the School Shops. The Foundation has continued to develop a range of owned and managed sports and educational offerings including an Easter Revision course and various Dean Close branded sports camps, which are operated through Dean Close Services Limited. The management of the children's day nurseries is undertaken through Dean Close Nurseries Limited. All surplus income of the trading subsidiaries is donated to the Foundation under the Gift Aid Scheme and used for the purposes of the Charity.

PUBLIC BENEFIT

Direct Public Benefit includes means tested bursaries and grants made to existing and new families. Trustees are committed to broadening access to Dean Close by offering means-tested bursaries to pupils whose parents / guardians are unable to pay the full fees. All bursaries are means-tested annually and have a value of up to 100% of the fees. The Foundation also has a scheme that helps military families with their fees.

Bursaries can range from 1% to 100% of the school fee. On occasions where certain students are selected for particular extracurricular Arts/Drama/Sport trips but where the cost alone precludes their participation the Foundation can relieve that financial burden in certain circumstances. The Charity does not have a large endowment and therefore the Trustees are mindful, when bursaries are provided, that there remains a fair balance overall between those benefitting from bursaries and full fee-paying parents, many of whom make significant personal sacrifices to fund their children's education. Fundraising continues to provide an endowment to support Foundation Awards and life-changing bursaries for pupils from families of modest means. Foundationers, supported by donors from the Old Decanian and The Hillians community, former parents and other individuals, continue their education at the senior school and these talented and deserving individuals would never have been able to consider independent schooling without these transformational awards. The Foundation aims to increase the number of Foundationers to 20 over the coming 10 years.

Indirect Public Benefit includes the use of facilities such as the Bacon Theatre and sports facilities which, from time to time, are let on a reduced cost to local groups or groups where their educational or artistic value is highly regarded in educational terms. The Foundation also invites local preparatory schools, junior schools and nurseries to benefit from Forest School, and from events such as sports skills days, choral and orchestral days, and science days. Local children also have the opportunity to attend theatre workshops and plays. Facilities are also made available to educational groups, and have, for example, hosted at no charge Gloucestershire Early Years meetings in the Pre-Prep hall with teachers from schools across Cheltenham.

The Trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

PARTNERSHIPS

Partnership activity in the Dean Close Foundation operates on four levels: locally, regionally, nationally and internationally. Locally, it has many partnerships with primary schools and their pupils attended concerts, plays, Sports Skills and Community Action days, and Forest School at DCSJS, DCPS and DCS or hosted assemblies led by DCS pupils. The Cheltenham Education Partnership (CEP), of which Dean Close is a Founder Member, has continued to gain momentum and provide benefits for pupils in all Cheltenham's secondary schools. There are many regional partnership links in Gloucestershire and the South West for sport, business, chaplaincy and music. National links are with academic organisations, the Choir Schools' Association, and TISCA. Finally, international partnerships have been disrupted but the Foundation remains committed to schools in Uganda and China. Fundraising to support Nyakatukura Memorial Secondary School in Uganda continued during the year.

AUDITOR

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Annual Report of the Trustees and incorporated Strategic Report were approved by the Board on 8th January 2026 and signed on its behalf by

Kathryn Carden
Chairman of Trustees

THE DEAN CLOSE FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION

Opinion

We have audited the financial statements of The Dean Close Foundation (the "charitable company") and its subsidiaries (the "group") for the year ended 31 August 2025 which comprise the consolidated Statement of Financial Activities, the consolidated and Charity Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent company has not kept adequate accounting records; or
- the parent 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

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud
We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of certain income streams which includes, nursery fees and bursaries, scholarships and allowances and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Bursar and the Finance & General Purpose Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over certain income streams listed above, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION (CONTINUED)

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.

Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

Date: 21/1/26

THE DEAN CLOSE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2025 (Incorporating a consolidated Income and Expenditure account)

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowed funds 2025 £	Total 2025 £	Total 2024 £
Income from:						
Charitable activities						
School fees receivable	2	**26,104,769**	-	-	**26,104,769**	25,796,092
Ancillary trading income	5	**740,443**	-	-	**740,443**	542,607
Other trading activities						
Non-ancillary trading income	3	**7,649,687**	-	-	**7,649,687**	6,509,432
Investments						
Investment income	12(d)	**73,636**	**53,151**	-	**126,787**	141,675
Bank and other interest		**191,551**	-	-	**191,551**	43,303
Voluntary sources						
Grants and donations	4	**23,551,152**	**96,078**	**5,363,000**	**29,010,230**	143,767
Total incoming resources		**58,311,238**	**149,229**	**5,363,000**	**63,823,467**	33,176,876
Expenditure on:						
Raising funds						
Non-ancillary trading	3	**5,999,938**	-	-	**5,999,938**	5,130,014
Financing costs		**714,033**	-	-	**714,033**	823,878
Investment management		**21,548**	**4,715**	-	**26,263**	25,519
Fundraising and development		**151,348**	-	-	**151,348**	126,153
Total deductible costs	8	**6,886,867**	**4,715**	-	**6,891,582**	6,105,564
Charitable activities						
Education and grant making		**28,465,101**	**146,310**	-	**28,611,411**	26,484,196
Total expenditure	8	**35,351,968**	**151,025**	-	**35,502,993**	32,589,760
Net incoming funds from operations before transfers and investment gains/(losses)		**22,959,270**	**(1,796)**	**5,363,000**	**28,320,474**	587,116
(Losses)/gains on investments		**(67,616)**	**(223)**	-	**(67,839)**	286,354
Transfers between funds	19	**19,651**	-	**(19,651)**	-	-
Net movement in funds		**22,911,305**	**(2,019)**	**5,343,349**	**28,252,635**	873,470
Fund balances at 1 September 2024		**17,422,610**	**606,527**	**471,634**	**18,500,771**	17,627,301
Fund balances at 31 August 2025	19	**40,333,915**	**604,508**	**5,814,983**	**46,753,406**	18,500,771

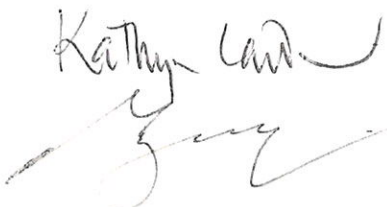
The notes on pages 25 to 51 form part of these financial statements.

THE DEAN CLOSE FOUNDATION

FOUNDATION AND CONSOLIDATED BALANCE SHEETS AS AT 31 AUGUST 2025
REGISTERED NUMBER: 04193948

	Notes	**Group 2025 £**	Group 2024 £	**Foundation 2025 £**	Foundation 2024 £
Fixed assets					
Intangible	9	**1,917,947**	332,665	**1,696,170**	-
Negative goodwill	10	**(13,221)**	(29,083)	**(13,221)**	(29,083)
Tangible	11	**62,480,311**	34,093,422	**62,062,663**	33,798,024
Investments	12	**9,118,265**	3,661,654	**10,415,991**	5,070,267
		73,503,302	38,058,658	**74,161,603**	38,839,208
Current assets					
Stocks		**195,203**	196,324	**42,179**	17,610
Debtors	13	**10,627,041**	1,762,150	**10,372,182**	1,616,336
Cash at bank and in hand		**836,978**	4,383,430	**787,401**	4,350,409
		11,659,222	6,341,904	**11,201,762**	5,984,355
Current liabilities					
Creditors payable within one year	14	**(23,918,719)**	(14,911,886)	**(24,136,773)**	(15,474,046)
Net current liabilities		**(12,259,497)**	(8,569,982)	**(12,935,011)**	(9,489,691)
Total assets less current liabilities		**61,243,805**	29,488,676	**61,226,592**	29,349,517
Long term liabilities					
Creditors payable after one year	15	**(14,490,399)**	(10,987,905)	**(14,487,034)**	(10,964,508)
Net assets		**46,753,406**	18,500,771	**46,739,558**	18,385,009
Financed by:					
Endowed funds	19a	**5,814,983**	471,634	**5,814,983**	471,634
Restricted funds	19b	**604,508**	606,527	**604,508**	606,527
Unrestricted funds	19c	**40,333,915**	17,422,610	**40,320,067**	17,306,848
Total funds	19	**46,753,406**	18,500,771	**46,739,558**	18,385,009

The net result for the financial year dealt with in the financial statements of the parent charity was a surplus of £28,252,635 (2024: £873,470). The financial statements were approved and authorised for issue by the Board of The Dean Close Foundation on 8th January 2026 and signed on its behalf by:



Kathryn Carden
Chairman

Matthew Smith
Treasurer

The notes on pages 25 to 51 form part of these financial statements.

THE DEAN CLOSE FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	Group 2025 £	Group 2024 £
Reconciliation of net incoming resources to net cash inflow from operating activities			
Net incoming funds from operations		**28,252,635**	873,470
Reconciling items:			
Losses on investments		**67,839**	(286,354)
Depreciation charge	11	**1,221,951**	1,103,659
Profit on disposal of assets	6	**(4,579)**	(1,570)
Amortisation of goodwill on acquisition	9,10	**139,637**	110,888
Amortisation of negative goodwill on acquisition	10	**(15,862)**	(15,863)
Net assets of Kingham Hill School received by donation		**(23,627,606)**	-
Investment property received by donation		**(5,363,000)**	-
Investment income and bank interest received		**(318,338)**	(184,978)
Finance costs		**714,033**	823,878
Decrease in stock		**18,756**	4,012
(Increase)/Decrease in debtors		**(7,291,848)**	29,876
Increase/(Decrease) in creditors (excluding fees in advance and deposits and composition fees)		**2,388,978**	(1,093,835)
Increase in fees in advance, deposits and composition fees		**2,530,364**	7,594,205
Net cash (outflow)/inflow from operations		**(1,287,040)**	8,957,388
Cash flows used in investing activities			
Purchase of tangible fixed assets	11	**(1,765,361)**	(2,298,729)
Proceeds from sale of tangible fixed assets		**4,579**	1,570
Goodwill on acquisition		**(1,724,919)**	-
Acquisition of investment property		**(94,340)**	-
Costs of merger with Kingham Hill School		**(136,203)**	-
Additions to investment portfolio		**(1,141,866)**	(1,845,654)
Disposals from investment portfolio		**1,074,755**	1,766,417
Investment income and bank interest received		**318,338**	184,978
Net cash used in investing activities		**(3,465,017)**	(2,191,418)
Cash flows provided by financing activities			
Finance costs paid		**(714,033)**	(823,878)
New bank loan		**5,400,000**	850,000
Kingham Hill School bank loan repaid		**(3,542,797)**	-
Repayment of secured loans		**(832,515)**	(653,169)
Repayment of other loan		**(125,000)**	(125,000)
Repayment of finance lease and hire purchase contracts		**(86,500)**	(81,420)
Net cash used by financing activities		**99,155**	(774,527)
Change in cash and cash equivalents in the year		**(4,652,902)**	5,932,503
Cash and cash equivalents at the beginning of the year		**4,383,430**	(1,549,073)
Cash and cash equivalents at the end of the year		**(269,472)**	4,383,430
Analysis of cash and cash equivalents			
Cash at bank		**836,979**	4,383,430
Bank overdrafts	14	**(1,106,451)**	-
		(269,472)	4,383,430

Non-cash transactions are set out in note 25 to these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1 STATEMENT OF ACCOUNTING POLICIES

(a) Charity information

The Dean Close Foundation is a charitable company limited by guarantee incorporated in England (charity number 1086829 and company number 04193948) and is a Public Benefit Entity operating from its registered office Shelburne Road, Cheltenham, GL51 6HE.

(b) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (2nd edition effective 1 January 2019). The financial statements have been prepared on the historical cost basis of accounting, as modified by the revaluation of investments, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities SORP (FRS 102) and the accounting policies set out below.

The functional currency of the Foundation is considered to be GBP because that is the currency of the primary economic environment in which the Foundation operates.

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity-only Cash Flow Statement within the consolidated financial statements.

No separate Statement of Financial Activities has been presented for the Foundation alone, as permitted by Section 408 of the Companies Act 2006. The net results of the parent Charity are disclosed on page 23.

Going Concern

As part of the Trustee's responsibilities of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of scenarios have been considered. The assumptions modelled are based on the current economic climate and the Headwinds. The most severe risk identified is a downturn in pupil numbers and the impact that this would have on the Foundation's cash flow. In this event, the Trustees measured response would be to place a moratorium on all but essential capital expenditure, to make further cost savings where appropriate to do so and if necessary to liquidate investments held as detailed in note 12 in order to enable the Foundation to operate within its current or increased borrowing facilities.

The Trustees are mindful of "The Headwinds", the challenges that lie ahead. The Foundation has four 3 year finance strategies covering new and additional income as well as 're-setting' the cost base. The three-year strategies started on 1 September 2023 and include doubling the number of Nurseries, increasing the profitability of Dean Close Services Limited and establishing a lower cost base across the Foundation. The Trustees believe that the Foundation is therefore in a strong position to combat such challenges.

On the basis of this review, these financial statements have been prepared on a Going Concern basis, which the Trustees consider to be appropriate based on the results for the year ending 31 August 2025 and cash flow projections prepared for the period 31 August 2026 and beyond. The cash flow projections indicate that the Group will be able to meet its liabilities as they fall due and will be able to operate within the facilities currently available. The Trustees consider that there are no material uncertainties over the Foundation's financial viability.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Judgments in applying Accounting Policies and Key Sources of Estimation Uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgments have been made include the following:

(i) Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charge for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 9, 10 and 11 for the carrying amount of the assets and notes 1(i), (j) and (k) for the useful lives for each class of assets.

(ii) Impairment of investments

When assessing impairment of the investments, management considers factors including the financial results, future outlook, net assets and market value of each investment. See note 12 for the net carrying amount of investments.

(iii) Impairment of investment properties

Investment properties are stated in the Balance Sheet at potential freehold market value. A formal professional valuation is carried out at least every five years, and prepared on an informal basis in the intervening period. Gains or losses are taken to the Statement of Financial Activities. No depreciation is provided on investment properties. See note 12 for the net carrying amount of investment properties.

(iv) Impairment of debtors

The group makes an estimate of the recoverable value of trade and fee debtors. When assessing impairment of trade and fee debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors.

(c) Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of The Dean Close Foundation and its subsidiary Companies, Dean Close Services Limited, Dean Close Nurseries Limited and Dean Close General Charitable Trust and certain Scholarship Funds made up to 31 August 2025. Dean Close Services Limited manages commercial activities and lets property on behalf of the Foundation and operates the School shops and the Bacon Theatre. Dean Close Nurseries Limited operated nine children's day nurseries during the year under review. All intra group sales and profits are eliminated fully on consolidation. On 28 June 2024, Dean Close Foundation set up a new subsidiary, Dean Close Education Limited. The Foundation owns 100% of the share capital in Dean Close Education Limited. The subsidiary is dormant for the year ended 31 August 2025 and has not been consolidated into Dean Close Foundation on the grounds that it is immaterial.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(d) Incoming resources

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. School fee income represents fees receivable, including additional charges, less concessions.

Amounts received under the School's Advance Fee Scheme contracts for education not yet utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

Non-charitable trading

Income from non-charitable trading represents the turnover from the trading activities of the subsidiary companies, Dean Close Services Limited and Dean Close Nurseries Limited and is recognised when the company has earnt entitlement to the revenues.

Investment Income

Dividend income is accounted for at the date on which the Charity has entitlement to the dividend. Interest on bank balances and fixed income securities are accounted for in the period in which interest is earned.

(e) Government grants

Income from Government grants, whether "capital" grants or "revenue" grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlement occurs before income is received, the income is accrued. Where income is received in advance of the Group having entitlement to the funds, the income is deferred.

(f) Donations

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and economic benefit to the Charity is considered probable. Donations receivable for the general purposes of the Charity are credited to "other unrestricted funds", to distinguish them from direct Foundation income. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Trustees. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or of the value to the Foundation in the case of donated services or facilities.

g) Legacies

For residuary legacies, entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Pecuniary legacies are recognised once probate has been granted and notification received and where they can be reliably measured. Receipt of a legacy, in whole or in part, is only considered probable and measurable when the amount can be measured reliably and there are no potential claims against the estate.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(h) Expenditure

Expenditure is accounted for on an accruals basis as soon as a liability is considered probable, discounted to present value for longer term liabilities. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of the Trustees' best estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Cost of generating funds includes all the financing costs of the entity in addition to the costs of the development office and trading expenditure of the subsidiary companies accounted for on an accruals basis.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Trustees, and all the costs of complying with constitutional and statutory requirements, such as the costs of Trustees meetings and of preparing statutory accounts and satisfying public accountability.

(i) Goodwill and amortisation

Goodwill is the difference between the amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities.

Amortisation is provided on goodwill at rates calculated to write off the cost on a straight line basis over its expected useful life as follows:

Goodwill on acquisition of Nursery Childcare Services (UK) Limited & Little Trees Inchbrook & Little Trees Brownshill	10% on cost

(j) Negative goodwill

Negative goodwill is the difference between the fair value of the assets and liabilities acquired of a business and the amount paid on acquisition.

Negative goodwill is credited to incoming resources on a straight line basis over its expected useful life as follows:

Negative goodwill on Asset Purchase of Airthrie School LLP	20% on valuation

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(k) Fixed assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation. Items costing less than £5,000 are written off as an expense on acquisition. Depreciation is calculated so that tangible fixed assets are written off over their currently estimated useful lives at annual rates, which are as follows:-

Freehold land	Nil
Freehold property	1% - 6.67% on cost
Plant and equipment	2%/10%/20% on cost
Theatre equipment	10% on cost
Fixtures and fittings	10% - 20% on cost
Motor vehicles	20% on cost
School shop equipment	20% on cost
Computer equipment	10% - 25% on cost

Assets under construction are not depreciated until they are brought into use.

The fixed assets brought in from Kingham Hill School as a gift, were brought in at fair value.

(l) Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

(m) Stocks

Stocks are stated in the balance sheet at the lower of cost and net realisable value after making due allowances for obsolete and slow moving stock.

(n) Debtors

Short term debtors are measured at transaction price, less any impairment.

(o) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

(p) Creditors

Short term creditors are measured at the transaction price.

(q) Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities on a reducing balance basis over the lease term.

(r) Taxation

The Dean Close Foundation is a registered charity and is not liable to Corporation Tax or Income Tax on all its income and gains properly applied for its charitable purposes. Dean Close Services Limited and Dean Close Nurseries Limited, trading subsidiaries of the Foundation, are liable to Corporation Tax.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(s) Pension costs

Teaching Staff
The scheme is a multi-employer pension scheme. It is not possible to identify the Charity's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the scheme is accounted for as if it were a defined contribution scheme. The Charity'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 Charity also operates a defined contribution group personal pension plan with AVIVA. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

All pension costs are allocated to unrestricted funds, this being the fund from which wages and salaries are paid.

Non-Teaching Staff
The Charity operates a defined contribution group personal pension plan for its non-teaching staff with AVIVA. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

All pension costs are allocated to unrestricted funds, this being the fund from which wages and salaries are paid.

(t) Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investments in subsidiaries are valued at cost less provision for impairment.

Freehold investment property is included at fair value and no charge for depreciation is made.

(u) Composition fees

The Charity operates a composition fee scheme for parents. Income arising is treated as general income of the Foundation, out of which provision for future fee liabilities under the scheme is made.

(v) Recognition of liabilities

Liabilities are recognised when the Charity has an obligation to make payment to a third party.

(w) Redundancy

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

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(x) Funds policy

Unrestricted funds are funds that are available for use at the discretion of the Trustees in furtherance of the objects of the Charity.

Designated funds are unrestricted funds which have been set aside by Trustees for specific purposes.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes.

The Charity holds a donation and a grant under permanent endowment. Any income arising on the Permanent Endowment Fund is treated as restricted income of the Charity. Funded generously by a former pupil, the Saunders Foundation Awards provide a unique opportunity to support children and creating life-changing opportunities for families contributing to the rural economy

Expendable endowment funds represent the expendable endowment of the Charity. The funds are expendable at the discretion of the Trustees.

(y) Financial instruments

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

2 Charitable activities – fees receivable

	2025	2024
	£	£
Fees receivable comprise:		
School fees	**30,202,977**	30,103,000
Allowances		
Bursaries and concessionary fees	**(3,317,887)**	(3,283,610)
Scholarships and exhibition awards	**(932,742)**	(1,134,036)
	25,952,348	25,685,354
Add back: Bursaries, scholarships and awards paid for by restricted funds	**152,421**	110,738
	26,104,769	25,796,092

Scholarships, bursaries and exhibition awards paid for out of Restricted funds were £152,421 (2024: £110,738).

3 Income from subsidiary's trading activities

(a) The Charity owns the whole of the ordinary share capital of Dean Close Services Limited (registered number 02627579, registered office Shelburne Road, Cheltenham, GL51 6HE), whose trading activities include the school shops, and management and letting of facilities on behalf of the Charity such as the Bacon Theatre.

The following trading results for the subsidiary are incorporated in the Consolidated Statement of Financial Activities:

	2025 £	2024 £
Turnover	**1,253,045**	1,186,728
Cost of sales	**(277,568)**	(298,767)
Gross profit	**975,477**	887,961
Administrative expenses	**(546,681)**	(491,985)
Governance costs	**(4,200)**	(3,500)
Interest payable	**(2,171)**	(3,098)
Other income	**2,000**	-
Operating profit	**424,425**	389,378
Donation made under gift aid to the Foundation	**(473,391)**	(389,378)
Retained profit for the financial year	**-**	-
Total assets	**431,559**	427,120
Total liabilities	**244,762**	191,357
Share capital	**120,000**	120,000
Profit and loss account	**66,797**	115,763
Shareholder's funds	**186,797**	235,763

The subsidiary donated taxable profits to the Charity of £473,391 (2024: £389,378) under the Gift Aid Scheme.

Included in cost of sales and administration expenses are £372,597 (2024: £323,863) paid to The Dean Close Foundation. These transactions were eliminated on consolidation. At the year end, £34,954 was owed to The Dean Close Foundation (2024: £63,078 from The Dean Close Foundation). and £602 was owed from Dean Close Nurseries Limited (2024: £602).

3 Income from subsidiary's trading activities (continued)

(b) The Charity owns the whole of the ordinary share capital of Dean Close Nurseries Limited (registered number 09635445, registered office Shelburne Road, Cheltenham, GL51 6HE), whose trading activities during the year under review include the provision of nursery care operating from nine sites.

The following trading results for the subsidiary are included in the Consolidated Statement of Financial Activities:

	2025	2024
	£	£
Turnover	**6,396,642**	5,322,704
Operating expenses	**(269,760)**	(253,594)
Gross profit	**6,126,882**	5,069,110
Administrative expenses	**(4,891,208)**	(4,071,570)
Governance costs	**(10,350)**	(7,500)
Operating profit	**1,225,324**	990,040
Donation made under gift aid to the Foundation	**(1,278,273)**	(990,040)
Retained profit for the financial year	**(52,949)**	-
Total assets	**955,578**	1,017,631
Total liabilities	**52,578**	61,682
Share capital	**10,000**	10,000
Profit and loss account	**893,000**	945,949
Shareholder's funds	**903,000**	955,949

The subsidiary donated £1,278,273 (2024: £990,040) taxable profits to the Charity under the Gift Aid Scheme.

Included in operating and administration expenses are £4,518,614 (2024: £3,464,277) paid to The Dean Close Foundation. These transactions were eliminated on consolidation. At the year end, £511,425 (2024: £728,122) was owed by The Dean Close Foundation and £602 was owed to Dean Close Services Limited (2024: £602).

4(a) Charitable Gift from Kingham Hill School

	Gift recognised £
Tangible fixed assets	27,511,292
Current Assets	1,590,680
Current Liabilities	(1,931,569)
Bank Loan	(3,542,797)
	23,627,606

The assets and liabilities of Kingham Hill School were transferred at fair value over to The Dean Close Foundation by the way of a charitable merger on 1st August 2025 for nil consideration. Given the nature of the transaction, the transfer has been reflected in the Foundation's financial statements as a donation. This donation reflects the assets and liabilities as transferred.

4(b) Charitable Gift – The Saunders Foundation Award

	Gift recognised £
Investment Properties	5,363,000
	5,363,000

Funded generously by a former pupil, the Saunders Foundation Awards provide a unique opportunity to support children and creating life-changing opportunities for families contributing to the rural economy. Given the nature of the transaction, the gift has been reflected in the Foundation's financial statements as a donation. This donation reflects the assets transferred.

5 Charitable activities - ancillary trading income

	2025 £	2024 £
Registration fees	**30,760**	36,220
Pupils insurance discounts	**790**	1,047
Sundry receipts	**462,228**	262,079
School trips and activities	**246,665**	243,261
	740,443	542,607

6 Net incoming resources

This is stated after charging/(crediting):

	Group 2025 £	Foundation 2025 £	Group 2024 £	Foundation 2024 £
Depreciation of tangible fixed assets				
- Owned	**1,161,172**	**1,078,806**	1,051,584	982,412
- Held under hire purchase	**60,779**	**49,233**	52,075	40,528
Amortisation of goodwill	**139,637**	**-**	110,888	-
Amortisation of negative goodwill	**(15,863)**	**(15,863)**	(15,863)	(15,863)
Auditor's remuneration:				
- Fees payable for the audit of the financial statements	**53,825**	**39,800**	40,500	29,500
- Tax and other advisory services	**8,185**	**3,755**	3,000	-
Operating leases:				
- Land and Property	**472,766**	**472,766**	449,413	449,413
Interest payable				
- Under hire purchase	**13,233**	**11,062**	15,254	12,156
- Other	**648,971**	**648,971**	748,319	748,319
Profit on disposal of tangible fixed assets	**(4,579)**	**(4,579)**	(1,570)	(1,570)

7 Staff costs

	2025 £	2024 £
Wages and salaries	**20,452,853**	17,751,060
Social security costs	**1,954,047**	1,518,839
Pension contributions - Teachers' Pension Scheme	**1,544,871**	1,551,237
Pension contributions – other	**461,839**	349,424
Other costs including agency staff	**133,500**	292,144
Total direct costs of employment	**24,547,110**	21,462,704

	2025 £	2024 £
Aggregate employee – benefits of key management personnel	**1,208,497**	1,068,050

The average number of staff during the year was:

	2025 Headcount	2024 Headcount
Teaching Staff	**314**	306
Nursery Staff	**178**	159
Administration support:		
Welfare	**151**	123
Premises	**39**	36
Support	**165**	156
Administration of charity	**1**	1
	848	781

The number of higher paid employees was:

	2025 No.	2024 No.
£60,001 - £70,000	**28**	26
£70,001 - £80,000	**9**	4
£80,001 - £90,000	**3**	4
£90,001 - £100,000	**1**	1
£130,001 - £140,000	**1**	1
£150,001 - £160,000	**1**	-
£180,001 - £190,000	**-**	1
£220,001 - £230,000	**1**	-

In the year, contributions were made for 24 (2024: 23) higher paid employees, to the Teachers' Pension Scheme, a defined benefit scheme and contributions were made for 21 (2024: 17) higher paid employee to a defined contribution scheme.

The Trustees received £Nil (2024: £Nil) remuneration during the year.

During the year, there were redundancy or termination payments made which amounted to £61,626 (2024: £15,039). At the year end £Nil was outstanding (2024: £5,000).

8 (a) Analysis of expenditure

	Staff costs £	Other costs £	Depreciation £	Total 2025 £	Total 2024 £
Costs of generating funds					
Trading costs	**4,336,620**	**1,569,407**	**93,911**	**5,999,938**	5,130,014
Financing costs	**-**	**714,033**	**-**	**714,033**	823,878
Investment management fees	**-**	**26,263**	**-**	**26,263**	25,519
Development costs	**127,362**	**23,986**	**-**	**151,348**	126,153
Total costs of generating funds	**4,463,982**	**2,333,689**	**93,911**	**6,891,582**	6,105,564
Charitable activities					
Education and grant making					
Teaching	**13,056,839**	**1,036,992**	**-**	**14,093,831**	13,839,219
Welfare	**1,874,257**	**1,442,708**	**-**	**3,316,965**	2,737,281
Premises	**2,486,378**	**2,217,875**	**391,640**	**5,095,893**	3,499,143
Support costs and governance	**2,665,654**	**2,550,246**	**736,400**	**5,952,300**	6,297,815
Grants, awards and prizes	**-**	**152,422**	**-**	**152,422**	110,738
Total charitable expenditure	**20,083,128**	**7,400,243**	**1,128,040**	**28,611,411**	26,484,196
Total expended	**24,547,110**	**9,733,932**	**1,221,951**	**35,502,993**	32,589,760

8 (b) Governance included in support costs

	2025 £	2024 £
Remuneration paid to auditor	**53,825**	40,500
Reimbursement of personal expenses to Trustees	**237**	1,754
Other governance costs	**5,955**	6,194
	60,017	48,448

Of the Trustees 1 (2024: 6) received a total of £237 (2024: £1,754) in respect of repayment of travel and accommodation costs, reference books and attendance at training and conferences.

9 Intangible fixed assets – Group only

	Total Goodwill £
Cost	
At 1 September 2024 and 31 August 2025	**1,108,881**
Amortisation	
At 1 September 2024	776,216
Charge for the year	110,888
At 31 August 2025	**887,104**
Net book value	
At 31 August 2025	**221,777**
At 31 August 2024	332,665

Goodwill arose from the acquisition of the shares in Nursery Childcare Services (UK) Limited on 1 September 2018, which held two profitable nurseries which were transferred to another group entity.
Goodwill is amortised over the Trustees' estimate of its useful life of 10 years.

10 Intangible fixed assets – Group and Foundation

	Total Goodwill £
Cost	
At 1 September 2024	-
Additions	1,724,919
At 31 August 2025	**1,724,919**
Amortisation	
At 1 September 2024	-
Charge for the year	28,749
At 31 August 2025	**28,749**
Net book value	
At 31 August 2025	**1,696,170**
At 31 August 2024	-

On 1 July 2025, the Foundation acquired two nurseries from Polly's Day Nursery's. The acquisition was accounted for using the purchase method. Goodwill arose from this acquisition and is amortised over the Trustees' estimate of its useful life of 10 years.

10 Negative goodwill – Group and Foundation

	Total Negative Goodwill £
Cost	
At 1 September 2024 and 31 August 2025	**(79,313)**
Amortisation	
At 1 September 2024	50,230
Credit for the year	15,862
At 31 August 2025	**66,092**
Net book value	
At 31 August 2025	**(13,221)**
At 31 August 2024	(29,083)

Negative goodwill arose from the Asset Purchase of Airthrie School LLP on 5 July 2021. These assets were included in the financial statements at fair value together with associated costs and are in respect of tangible fixed assets. The difference between the valuation and purchase price resulted in negative goodwill of £79,313. This sum is being credited back to incoming resources in the Statement of Financial Activities over a 5 year period on a straight line basis.

11 Tangible fixed assets - Group

	Freehold land and property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Total £
Cost					
At 1 September 2024	40,689,834	158,917	4,503,644	5,940,407	**51,292,802**
Additions	27,568,825	61,603	1,440,306	540,377	**29,611,111**
Disposals	-	-	-	(47,534)	**(47,534)**
At 31 August 2025	**68,258,659**	**220,520**	**5,943,950**	**6,433,250**	**80,856,379**
Depreciation					
At 1 September 2024	11,089,856	-	2,823,497	3,286,027	**17,199,380**
Charge for the year	392,780	-	380,119	449,052	**1,221,951**
Disposals	-	-	-	(45,263)	**(45,263)**
At 31 August 2025	**11,482,636**	**-**	**3,203,616**	**3,689,816**	**18,376,068**
Net book value					
At 31 August 2025	**56,776,023**	**220,520**	**2,740,334**	**2,743,434**	**62,480,311**
At 31 August 2024	29,599,978	158,917	1,680,147	2,654,380	34,093,422

The net book value of assets held under finance leases or hire purchase contracts included above within Plant and Equipment is £324,022 (2024: £327,101).

Tangible fixed assets – The Dean Close Foundation

	Freehold land and property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Total £
Cost					
At 1 September 2024	40,689,834	158,917	4,096,429	5,623,954	**50,569,134**
Additions	27,568,825	61,603	1,252,936	511,585	**29,394,948**
Disposals	-	-	-	(30,534)	**(30,534)**
At 31 August 2025	**68,258,659**	**220,520**	**5,349,365**	**6,105,005**	**79,933,549**
Depreciation					
At 1 September 2024	11,089,856	-	2,559,238	3,122,016	**16,771,110**
Charge for the year	392,780	-	319,748	415,511	**1,128,039**
Disposals	-	-	-	(28,263)	**(28,263)**
At 31 August 2025	**11,482,636**	**-**	**2,878,986**	**3,509,264**	**17,870,886**
Net book value					
At 31 August 2025	**56,776,023**	**220,520**	**2,470,379**	**2,595,741**	**62,062,663**
At 31 August 2024	29,599,978	158,917	1,537,191	2,501,938	33,798,024

The net book value of assets held under finance leases or hire purchase contracts included above within Plant and Equipment is £254,743 (2024: £246,275).

12(a) Investments

	Group 2025 £	Group 2024 £
At 1 September 2024	**3,661,654**	3,296,063
Incoming funds	**-**	-
Gains/(losses)	**(67,819)**	286,374
Management fees	**(26,263)**	(25,518)
Dividends reinvested	**93,354**	104,735
At 31 August 2025	**3,660,926**	3,661,654

Details of the additions and disposals during the year are shown in the Cash Flow Statement. These balances can be further analysed as follows:

	Group 2025 £	Foundation 2025 £	Group 2024 £	Foundation 2024 £
(a) Investment in market value	**3,590,240**	**3,590,240**	3,628,770	3,628,770
(a) Investment in cash	**70,686**	**70,686**	32,884	32,884
(b) Investment in subsidiaries	**-**	**1,297,725**	-	1,408,613
(c) Investments in property	**5,457,340**	**5,457,340**	-	-
	9,118,266	**10,415,991**	3,661,654	5,070,267

12(b) Investments – Group

Investments held on non-UK stock markets totalled £875,068 (2024: £762,758). Within the investment portfolio, the Charity does not hold any specific investments which represent more than 5% of the overall investment portfolio (2024: none)
The market values of quoted investments held at 31 August 2025 are based upon stock market quoted prices at the year end date.

12(c) Investments – Property

	Freehold Property & Land £
Additions: Investment Properties	**5,457,340**
At 31 August 2025	**5,457,340**

The investment is primary held to provide a return to support Saunders Foundation Awards. The property was valued in December 2023 at fair value by Carver Knowles. The Trustees are of the opinion that there has been no change in value of the property since the date of the valuation and the investment is included at fair value.

12(d) Investment income

	2025 £	2024 £
Dividends from managed funds	**87,693**	102,191
Interest on government stocks	**4,230**	2,330
Interest on cash deposits	**1,363**	3,654
Rental income on property	**33,500**	33,500
	126,787	141,675

13 Debtors

	Group 2025 £	Foundation 2025 £	Group 2024 £	Foundation 2024 £
Fees and extras (less provision for bad debts)	**8,097,450**	**8,084,885**	927,852	916,480
Other debtors	**652,853**	**509,329**	322,999	227,714
Prepayments and accrued income	**1,876,738**	**1,777,968**	511,299	472,142
	10,627,041	**10,372,182**	1,762,150	1,616,336

Fees and extras are stated after impairment provisions totalling £724,427 (2024: £483,471).

The rules for VAT require the traditional early issuance of Michaelmas bills now to be treated as a tax point and therefore increase debtors with a VAT creditor even though the invoices are not due until the first day of term.

14 Creditors: amounts falling due within one year

	Group 2025 £	Foundation 2025 £	Group 2024 £	Foundation 2024 £
Bank loans (see note 15)	**1,125,053**	**1,125,053**	1,247,000	1,247,000
Other loan (see note 15)	**125,000**	**125,000**	125,000	125,000
Bank overdraft	**1,106,451**	**1,106,451**	-	-
Fees received in advance	**11,061,308**	**11,061,308**	8,290,956	8,290,956
Trade creditors	**2,007,016**	**1,940,085**	221,348	201,212
Amounts owed to subsidiaries	**-**	**476,472**	-	791,200
Taxation and social security	**2,334,970**	**2,334,970**	382,942	382,942
Other creditors	**855,803**	**811,912**	369,637	330,590
Accruals and deferred income	**863,785**	**736,220**	767,100	616,301
Obligations under finance lease and hire purchase contracts (see note 17)	**109,545**	**89,514**	87,602	68,544
Deposits held	**2,034,436**	**2,034,436**	1,579,228	1,579,228
	21,623,367	**21,841,421**	13,070,813	13,632,973
Composition fees (see note 16)	**2,295,352**	**2,295,352**	1,841,073	1,841,073
	23,918,719	**24,136,773**	14,911,886	15,474,046

15 Creditors: amounts falling due after more than one year

	Group 2025 £	Foundation 2025 £	Group 2024 £	Foundation 2024 £
Bank loans (see below)	**11,479,246**	**11,479,246**	6,632,611	6,632,611
Other loan (see below)	**1,275,000**	**1,275,000**	1,400,000	1,400,000
Obligations under finance lease and hire purchase contracts (see note 17)	**54,067**	**50,702**	123,733	100,336
Composition fees (note 16)	**1,682,086**	**1,682,086**	2,831,561	2,831,561
	14,490,399	**14,487,034**	10,987,905	10,964,508

The bank loans are repayable by instalments

	2025 £	2024 £
Over 5 years	**-**	4,619,830
Within 2 to 5 years	**10,754,193**	1,155,000
Within 1 to 2 years	**725,053**	857,781
	11,479,246	6,632,611
Within 1 year (see note 14)	**1,125,053**	1,247,000
	12,604,299	7,879,611

On 18 June 2021, formal repayment terms were agreed relating to an existing bank loan of £7,699,800. The maximum facility limit was £7.7m which was repayable in 60 instalments of £128,333.34 payable on 31 January, 30 April and 30 September of each year. The interest rate on the loan was 1.98% above Bank of England Base Rate. The loan was secured on certain freehold properties. On 31 August 2023, this loan was reviewed and continues on the same repayment terms as the pre-existing loan for a period of 17 years 11 months. The interest rate on the loan is 1.98% above Bank of England Base Rate. On 5 December 2024, the loan was reviewed and is repayable over a 5-year term commencing on 10 December 2024 in 59 monthly instalments of £56,823.42 (capital and interest) with the remaining balance due no later than 31 December 2024 The interest rate on the loan is 1.95% above the Bank of England Base Rate.

On 7 September 2021, a loan of £750,000 was agreed to finance the purchase of a property. The loan is repayable over a 3-year term commencing on 27 October 2021 in 35 monthly instalments of £3,819.42 (capital and interest) with the remaining balance due no later than 27 September 2024. The interest rate on the loan is 1.97% over the Bank of England Base Rate. The loan is secured on certain freehold properties. On 5 December 2024, the loan was reviewed and is repayable over a 5-year term commencing on 10 December 2024 in 59 monthly instalments of £4,032.35 (capital and interest) with the remaining balance due no later than 31 December 2024 The interest rate on the loan is 1.95% above the Bank of England Base Rate

On 31 August 2023, a loan of £850,000 was agreed which was drawn down on 13 September 2023 to finance the purchase of a property. The loan was repayable in full by one instalment on 13 September 2024. On 3 September 2024, the repayment date was extended to 13 March 2025. The interest rate on the loan is 1.75% over the Bank of England Base Rate. The loan is secured on certain freehold properties. Post year end the loan was re-paid on 20 October 2025.

On 25 May 2025, a loan of £1,700,000 was agreed to finance the purchase of a group of nurseries. The loan is repayable over a 5-year term commencing on 25 June 2025 in 59 monthly instalments of £12,682.09 (capital and interest) with the remaining balance due no later than 30 June 2030. The interest rate on the loan is 2% over the Bank of England Base Rate. The loan is secured on certain freehold properties

On 25 July 2025, a loan of £3,700,000 was agreed to replace the loan Kingham Hill School had in place. The loan is repayable over a 5-year term commencing on 28 July 2025 in 59 monthly instalments of £27,059.09 (capital and interest) with the remaining balance due no later than 31 July 2030. The interest rate on the loan is 2% over the Bank of England Base Rate. The loan is secured on certain freehold properties

15 Creditors: amounts falling due after more than one year (continued)

The other loan is repayable by instalments

	2025 £	2024 £
Over 5 years	**750,000**	900,000
Within 2 to 5 years	**400,000**	375,000
Within 1 to 2 years	**125,000**	125,000
	1,275,000	1,400,000
Within 1 year (see note 14)	**125,000**	125,000
	1,400,000	1,525,000

The other loan is in respect of the Asset Purchase of Airthrie School LLP and is secured on certain freehold property. The loan is repayable over a 15 year term and annual repayments commenced on 5 July 2022. The interest rate is fixed at 1%.

16 Creditors: composition fees

Parents may pay the school tuition fees in advance. Assuming pupils will remain in the Charity's schools, the amounts due will be applied as follows:

	Group and Foundation 2025 £	Group and Foundation 2024 £
Greater than 5 years	**91,033**	143,560
Within 2 to 5 years	**489,632**	1,058,877
Within 1 to 2 years	**1,101,421**	1,629,124
	1,682,086	2,831,561
Within 1 year (see note 14)	**2,295,352**	1,841,073
	3,977,438	4,672,634

Discounts are given on composition fee accounts in accordance with the rate as set out in the individual signed agreements.

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

	£
Balance at 1 September 2024	4,672,634
New contracts	1,156,190
Refunds	-
Amounts utilised in payment of fees to the Charity	(1,864,565)
Discounts given	13,179
Balance at 31 August 2025	3,977,438

17 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2025 £	Foundation 2025 £	Group 2024 £	Foundation 2024 £
Within one year	**109,545**	**89,514**	87,602	68,544
Between 1 – 5 years	**54,068**	**50,702**	123,733	100,336
	163,613	**140,216**	211,335	168,880

The assets held under hire purchase are in respect of plant & equipment.

18 Financial instruments

	Group 2025 £	Foundation 2025 £	Group 2024 £	Foundation 2024 £
Financial assets measured at fair value	**9,118,265**	**9,118,265**	3,661,654	3,661,654

Financial assets held at fair value include assets held as investments.

19 Net assets of the funds of the Group and The Dean Close Foundation

The net assets held as at 31 August 2025 for the various funds are as follows:

	Goodwill on consolidation £	Fixed assets and Investments £	Net current (liabilities)/ assets £	Long term liabilities £	Total £
Endowed funds	-	5,814,983	-	-	**5,814,983**
Restricted funds	-	604,508	-	-	**604,508**
General funds	-	67,742,112	(12,935,012)	(14,487,033)	**40,320,067**
Foundation	-	74,161,603	(12,935,012)	(14,487,033)	**46,739,558**
Subsidiary and other funds	(945,946)	417,648	675,515	(3,366)	**143,851**
Consolidation adjustments	1,167,723	(1,297,726)	-	-	**(130,003)**
	221,777	73,281,525	(12,259,497)	(14,490,399)	**46,753,406**

19 Net assets of the funds of the Group and the Dean Close Foundation (continued)

Comparative 2024	Goodwill on consolidation	Fixed assets and Investments	Net current assets/ (liabilities)	Long term Liabilities	Total
	£	£	£	£	£
Endowed funds	-	471,634	-	-	471,634
Restricted funds	-	606,527	-	-	606,527
General funds	-	37,761,047	(9,489,691)	(10,964,508)	17,306,848
Foundation	-	38,839,208	(9,489,691)	(10,964,508)	18,385,009
Subsidiary and other funds	(945,947)	295,397	919,709	(23,397)	245,762
Consolidation adjustments	1,278,612	(1,408,612)	-	-	(130,000)
Group	332,665	37,725,993	(8,569,982)	(10,987,905)	18,500,771

19(a) Endowed funds: Movements in the year (Group and Foundation)

	Balance at 1 September 2024	Incoming endowments	Amounts expended	Transfers	Balance at 31 August 2025
	£	£	£	£	£
Permanent endowments:					
Arts Council Grant	471,634	-	-	(19,651)	**451,983**
Saunders Foundation Award	-	5,363,000	-	-	**5,363,000**
	471,634	**5,363,000**	**-**	**(19,651)**	**5,814,983**

The grant received from the Arts Council in respect of the construction in 1997 of the new Music School amounted to £982,561. This is being amortised over the useful life of the Music School, with the amortisation charge of £19,651 for the year being transferred to unrestricted funds.

The grant is an endowment fund by virtue of its purpose being to provide Arts in the community by building the Music School and is subject to certain conditions being met.

Funded generously by a former pupil, the Saunders Foundation Awards provide a unique opportunity to support children and creating life-changing opportunities for families contributing to the rural economy

Comparative 2024	Balance at 1 September 2023	Incoming endowments	Amounts expended	Transfers	Balance at 31 August 2024
	£	£	£	£	£
Permanent endowments:					
Arts Council Grant	491,285	-	-	(19,651)	471,634

19(b) Restricted funds: Movements in the year (Group and Foundation)

	Balance at 1 September 2024 £	Incoming Resources £	Amounts expended £	Transfers and Investment Losses £	Balance at 31 August 2025 £
Prize, Bursary and other funds	598,963	149,230	(151,025)	(224)	**596,944**
Private Family Charitable Trust	7,564	-	-	-	**7,564**
	606,527	149,230	(151,025)	(224)	**604,508**

Prize, Bursary and other funds consist of a number of individual bequests received from individual donors and are utilised in accordance with donors' wishes.

Comparative Funds 2024	Balance at 1 September 2023 £	Incoming resources £	Amounts expended £	Transfers and Investment Gains £	Balance at 31 August 2024 £
Prize, Bursary and other funds	517,713	198,452	(155,939)	38,737	598,963
Private Family Charitable Trust	12,904	-	(5,340)	-	7,564
	530,617	198,452	(161,279)	38,737	606,527

19(c) Unrestricted funds: Movements in the year

	Balance at 1 September 2024 £	Incoming resources £	Amounts expended £	Transfers and Investment gains £	Balance at 31 August 2025 £
General fund	17,422,610	58,311,237	(35,351,878)	(47,965)	40,333,915

The General fund includes £40,267,118 (2024: £17,306,848) net assets in respect of funds held by the Foundation. On consolidation, amortisation of goodwill totalling £110,888 was added to the amounts expended which is included in the figure above. Transfers and Investment gains within the General fund include £19,651 transferred from endowed funds. Further details of the transfers are included in notes 19a and 19b.

Comparative 2024	Balance at 1 September 2023 £	Incoming resources £	Amounts Expended £	Transfers and Investment losses £	Balance at 31 August 2024 £
General fund	16,605,399	32,978,424	(32,428,481)	267,268	17,422,610

20 Capital commitments

The Group and Foundation had no capital commitments at 31 August 2025 (2024: £Nil).

21 Operating lease commitments

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

	Group 2025 £	Foundation 2025 £	Group 2024 £	Foundation 2024 £
Expiring within 1 year	**576,424**	**576,424**	425,689	425,689
Expiring within 1 to 5 years	**1,579,200**	**1,579,200**	1,012,258	1,012,258
Expiring greater than 5 years	**1,359,000**	**1,359,000**	868,800	868,800

22 Pension Schemes

The Charity participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,544,871 (2024: £1,551,237) and at the year-end £188,384 (2024: £166,565) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023. The Valuation Report shows notional assets of £222.2bn and liabilities of £262bn, resulting in a scheme deficit of £39.8bn.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The Charity also operates one workplace pension scheme (2024: one) on a defined contribution basis. Employer contributions for the year amounted to £461,839 (2024: £349,424), and at the year-end £163,420 (2024: £85,302) was accrued in respect of contributions to this scheme.

23 Related party transactions

In accordance with CC29 – Conflicts of interest: A guide for charity Trustees, certain transactions between Trustees and the Charity are disclosable.

There were no disclosable transactions during the year (2024: none). No donations were received from Trustees during the year (2024: £nil).

Apart from the aforementioned items, there were no related party transactions in the year or prior year, with the exception of those Trustees and key management who have children attending the Charity's schools. School fees incurred by Trustees are paid on a commercial arms' length basis, whilst key management can benefit from a staff concession that can be available to all eligible members of staff who have children attending the Foundation.

See note 3(a) and 3(b) for details of the transactions which took place between the Charity and its wholly owned subsidiaries, Dean Close Services Limited and Dean Close Nurseries Limited in the year and any amounts outstanding at the year end.

The Ministry of Defence provides some funding each year for the purposes of the Dean Close Combined Cadet Force (CCF). A separate CCF bank account is held by the Charity. The CCF bank account balance as at 31 August 2025 was £517 (2024: £370)

24 Analysis of changes in net debt (Group)

	Balance at 1 September 2024 £	Charitable Gift from Kingham Hill School £	Cash flows £	Other non-cash changes £	Balance at 31 August 2025 £
Cash and cash equivalents					
Cash	4,383,430	-	(3,546,451)	-	**836,979**
Overdraft	-	-	(1,106,451)	-	**(1,106,451)**
	4,383,430	-	(4,652,902)	-	**(269,472)**
Due within one year					
Bank and other loans	(1,372,000)	3,542,797	(3,992,797)	571,947	**(1,250,053)**
Hire purchase obligations	(87,602)	-	(128,665)	106,722	**(109,545)**
Due greater than one year					
Bank and other loans	(8,032,611)	-	(5,506,794)	785,159	**(12,754,246)**
Hire purchase obligations	(123,733)	-	-	69,666	**(54,068)**
Total	(5,232,516)	3,542,797	(14,281,158)	1,533,494	**(14,437,384)**

25 Non-Cash transactions

Non-cash transactions as set out in note 24 relate to interest accrued and added to net indebtedness and assets financed on new hire purchase agreements in the year, which therefore did not result in an outflow of cash.

The Foundation benefitted from two significant non-cash transactions during the year relating to the charitable gifts of the net assets of Kingham Hill School and a gift of investment property as set out in note 4. These are therefore not reflected in the cash flow statement as there was no related movement in cash.

THE DEAN CLOSE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2025 (Incorporating a consolidated Income and Expenditure account)

26 Consolidated Statement of Financial Activities – Comparative figures by fund

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowed funds 2024 £	Total 2024 £
Income from:					
Charitable activities					
School fees receivable	2	25,796,092	-	-	25,796,092
Ancillary trading income	4	542,607	-	-	542,607
Other trading activities					
Non-ancillary trading income	3	6,509,432	-	-	6,509,432
Investments					
Investment income	11(c)	86,990	54,685	-	141,675
Bank and other interest		43,303	-	-	43,303
Voluntary sources					
Grants and donations		-	143,767	-	143,767
Total incoming resources		32,978,424	198,452	-	33,176,876
Expenditure on:					
Raising funds					
Non-ancillary trading	3	5,130,014	-	-	5,130,014
Financing costs		823,878	-	-	823,878
Investment management		20,968	4,551	-	25,519
Fundraising and development		126,153	-	-	126,153
Total deductible costs	7	6,101,013	4,551	-	6,105,564
Charitable activities					
Education and grant making		26,327,468	156,728	-	26,484,196
Total expenditure	7	32,428,481	161,279	-	32,589,760
Net incoming funds from operations before transfers and investment gains/(losses)		549,943	37,173	-	587,116
Gains/(losses) on investments		247,617	38,737	-	286,354
Transfers between funds		19,651	-	(19,651)	-
Net movement in funds		817,211	75,910	(19,651)	873,470
Fund balances at 1 September 2023		16,605,399	530,617	491,285	17,627,301
Fund balances at 31 August 2024	18	17,422,610	606,527	471,634	18,500,771

THE DEAN CLOSE FOUNDATION

England & Wales - Charity number 1086829

Accounts

Registered Charity Number: 1086829
Registered Company Number: 04193948

THE DEAN CLOSE FOUNDATION

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

THE DEAN CLOSE FOUNDATION

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THE DEAN CLOSE FOUNDATION

TRUSTEES, OFFICERS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2024

The Directors of the Company, who are referred to throughout these financial statements as the Trustees, are listed below, along with the Members of the Company and the main sub-committee.

President
The Lord Ribeiro

Council of Members
The Rev'd M Allen, BA
Mrs J Bee, BSc
Mrs V Beevers
Mrs S Bennett, BA
*A R Bird, OBE, BA (appointed 20 January 2024)
M Bowen
H Bradby BA, MA
S Bullingham MSc, BSc
R Byrd, FCA, FCCA
Brig. M T Cansdale, MBE, BA
Mrs K A Carden BA, MPhil
The Rev'd J Chaffey, MA, BA (retired 20 January 2024)
*Mrs E Clark (retired 20 January 2024)
*Mrs S Clayton (retired 20 January 2024)
The Rev'd R M Coombs, BSc, MA (retired 20 January 2024)
Mrs H S L Daltry, BA
*Mrs N C Davies, BA
B Davies OBE
Mrs C Dowler
C S S Drew, MA
I A Duffin, BCom, FCA
Mrs R Eden
Mrs C Fletcher MA
S Foster, BA
L C Glaser, MA, ACA
J Hall
B Harding, MBA
P Harvey, MA
Mrs T Haynes, BSc (Hons)
*R Hilldick-Smith, MEng, CEng, IMechE
Mrs A Hillman, BA
Mrs S L Hirst, BEd
S W Holliday, MA
*M A Hughes, BSc
A J Hunt
A Judge
Miss R A Keens, BEd
I Kilpatrick, BA Med
*Mrs F Knight BA
R Lewis, BSc
AVM (Ret'd) R Lock, CBE, BSc
The Rev'd R Mackay
D Main, FCA, FCCA
Mrs A Marsden, BSc MA
G McDonald, B.Comm B. Acc
*J Moos, Mcomp (Hons) CCP MCIS
*Mrs C Morris
*D Mullins, BSc, FCA

TRUSTEES, OFFICERS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Council of Members (continued)
Mrs P G Napier
B Nicholas, MA
*Mrs C J Pack, MRICS
The Rev'd H Palmer, BA
*M Philip-Sorensen
Dr A Porter
*Lord Ribeiro, kt, CBE, FRCS, FRCSEd
Mrs K Riding, LLB
*D Ritchie, BA
Dr C Roberts, BA, BM BCh, FRCA (retired 8 January 2024)
F J Shaw, MA, MSc, CEng, CSci
P Silvester, ACIB, BA
M Smith, MA, MBA, ACIB
M P Smith, MA
*T Spencer (retired 18 April 2024)
Mrs C Stallard, BA
Mrs B Sullivan
*Lt. Col E T Taylor, BA, RA
S Thomas, BA, LLM
S Thomas, BA, LLB
*A J Thompson
*J Townsend, MA
*T Widdowson
The Rev'd Canon Dr P R Williams, CStJ, DL
Rt Rev'd Paul Williams

Board of Trustees
The Rev'd M Allen, BA
S Bullingham, MSc, BSc
Mrs K A Carden, BA., MPhil., (Chairman)
Brig. M T Cansdale, MBE, BA (appointed 15 June 2024)
The Rev'd R M Coombs, BSc, MA (retired 20 January 2024)
Mrs H S L Daltry, BA
C S S Drew, MA (retired 20 January 2024)
L Glaser (retired 21 September 2024)
S W Holliday, MA
*M A Hughes, BSc
*Mrs F Knight BA
AVM (Ret'd) R Lock, CBE, BSc
G McDonald, B.Comm B. Acc
F J Shaw, MA, MSc, CEng, CSci (appointed 20 January 2024)
M Smith, MA, MBA, ACIB
M P Smith, MA
*Lt. Col E T Taylor, BA, RA (retired 15 June 2024)

Finance & General Purposes Committee
S Bullingham, MSc, BSc
Mrs K A Carden, MPhil, BA
Mrs H S L Daltry, BA
*M A Hughes, BSc
G McDonald, B.Comm B. Acc
M P Smith, MA
M Smith, MA, MBA, ACIB

* Old Decanian

THE DEAN CLOSE FOUNDATION

TRUSTEES, OFFICERS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Status and Administration

The Dean Close Foundation (referred to as the Charity or the Foundation throughout these financial statements) is a registered charitable company that incorporates the charitable institution originally founded in 1886. Its charity number is 1086829, its company number is 04193948, and its Articles of Association were adopted on 4th April 2001 and most recently amended on 28 May 2021. The liability of the Members is limited by guarantee.

Clerk to the Trustees	A P Bowcher MBA, FCIB, DipFS
Treasurer	M P Smith, MA
Company Secretary	M A Madeley
Registered Office and Principal Address	Shelburne Road Cheltenham Gloucestershire, GL51 6HE
Banker	HSBC Bank plc 2 The Promenade Cheltenham Gloucestershire, GL50 1LR
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol, BS1 4QA Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire, GL50 1YD
Independent Auditor	Crowe U.K. LLP 4th Floor St James House St James Square Cheltenham Gloucestershire, GL50 3PR
Insurer	Zurich Insurance plc The Zurich Centre 3000 Parkway Whiteley Fareham Hampshire, PO15 7JZ Policy No. KSC-252038-7703 (includes Employers' Liability and Public Liability)
Investment Manager	Rathbone Investment Management 1 Curzon Street London, W1J 5FB

THE DEAN CLOSE FOUNDATION

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees of The Dean Close Foundation present their Annual Report for the year ended 31st August 2024 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

DIRECTORS' REPORT

COUNCIL AND CHARITY TRUSTEES

Organisation

The Members of the Company, known as the Council, (details as disclosed on pages 1 and 2) are responsible for the election of the Directors, who are referred to throughout this report as the Trustees. The Members also receive the Annual Report and Accounts at the AGM each year. The Foundation's constitution provides for up to fifteen Trustees, drawn from the Council, who retire by rotation after four years and are eligible to serve up to a maximum of three terms of four years.

The Trustees determine the Charity's strategic direction and monitor its operational performance closely, providing the Warden, Chief Finance and Operations Officer, Heads and Senior Leadership Teams with direction, leadership and support as appropriate. The Board meets four times each year. The work of overseeing the implementation of Board policies and decisions is carried out in large part by the Finance and General Purposes Committee (F&GPC) which meets at least six times per year. Specifically, the F&GPC scrutinises all budgets, management and statutory accounts, business plans and major capital proposals, before these are submitted to the Board for approval.

Following the annual review of Governance, it was agreed to retain the existing committee structure.

The F&GPC as detailed above with the other principal Board committees are:

- the Foundation Estates Planning Committee, which meets at least every 2 months to discuss the longer-term strategy for the estate and management of larger capital projects.
- the Curriculum Development Committee, which meets termly, offers strategic guidance on future academic developments within the Foundation and across the schools.
- the Remuneration Committee, which sets the salary and emoluments for the Warden, Chief Finance and Operations Officer, Heads and Senior Leadership Teams meets twice a year.
- the Nominations Committee, which is responsible for succession planning for both the Council of Members and Board of Trustees meets termly.
- the Health and Safety Committee, which meets termly with Board representation.
- the Safeguarding Committee, which meets at least termly with Board representation.
- the Concessions Working Party, which meets at least twice each year to scrutinise policies and resourcing of scholarship and bursary awards and other concessions.
- the Development Board, which meets termly with Board representation, and is responsible for oversight of fund-raising and other development plans.

The day-to-day leadership and management of the Foundation is delegated to the following:

Warden/CEO	Mrs E L C Taylor
Head, Dean Close School	Mr B Salisbury
Head, Dean Close Preparatory School	Mr P Moss
Head, Dean Close Pre-Preparatory School	Mr J Cowling (appointed 1 September 2023)
Head, Dean Close St John's School	Mr N Thrower (resigned 31 August 2024) Mr T Rainer (appointed 1 September 2024)
Head, Dean Close Airthrie School	Mr J Dobbie
Chief Finance and Operations Officer	Mr A P Bowcher

Charity Governance Code

The Trustees have taken note of the seven principles set out within the Code and recommended practice. Whilst the Charity has not yet formally adopted the Code, Trustees apply the Code's recommended practices and more detailed information as to how this has been done is included within this Annual Report.

Stakeholder Engagement and Section 172 (1) Statement

The Trustees, as Directors, must act in accordance with a set of general duties. These duties are detailed in section 172 (1) of the Companies Act 2006 which is summarised as follows:

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the Company.'

The Trustees consider that they have fulfilled their duties in accordance with section 172(1) of the Companies Act 2006 and have acted in a way in which is most likely to promote the success of the Foundation for the benefit of its stakeholders as a whole in the following ways:

Pupils

All pupils benefit from the Foundation schools' focus on individual development and on the aim of nurturing each child's strengths and talents within a caring and secure family environment. Pupils are actively encouraged to offer comments and suggestions on the operation of the Foundation through School Councils and a range of other consultative opportunities, and these are considered in decisions made by the Senior Leadership Teams.

The Foundation's schools all subscribe to the 'Dean Close DNA' of Values (Love, Courage and Contribution) and Skills for the Future (Compassion, Collaboration, Communication, Critical Thinking and Creativity), weaving these into the curriculum and co-curriculum to support the pupils by developing the aptitudes and attitudes for future employment and service.

Employees

The Foundation recognises that the qualities and skills of its employees and the commitment of its staff play a major role in its success. Weekly briefings keep staff informed of school wide matters of interest and there are many opportunities for staff training and development. In addition, termly Inset offers opportunities for staff to engage with the wider Foundation strategy and direction and to receive updates from the Warden, Chief Finance and Operations Officer, and Trustees. Staff have many opportunities to offer ideas, raise concerns and comment on the activity of the Foundation through surveys, cluster groups and Common Room representatives. Emphasis this year has been placed on completing the 'Healthy Workplace' training plan for all staff, and the 'Healthy Leadership' training plan for middle and senior leaders, both designed to enhance the skills of staff, to enable team leaders to get the best from their teams, and to support healthy and sustainable working practices.

Stakeholder Engagement and Section 172 (1) Statement (continued)

Parents

The Foundation continues to ensure that it is in regular communication and engages with its parent body, and a weekly summary of news and events is emailed to them from each school. Opportunities for parents to attend fixtures, concerts, drama productions and chapel events continued during this year, and the full range of Speech Day and prize-giving events took place in the Trinity Term 2024.The Foundation also carried out several parental surveys to measure parental satisfaction and to identify areas for celebration and for improvement in the schools' provision. These plans were communicated back to parents by the Heads.

Community

The Foundation is proud of its place within the local and wider community and endeavours to offer support and collaboration where possible by making available many of its facilities at below commercial rates. It also invites local schools to participate in specific sports and other events and to share various facilities. Dean Close School is a founding member of the Cheltenham Education Partnership, which includes 11 secondary schools in Cheltenham, with the aim of improving outcomes for all young people of secondary age in the area. The School is also a founding member of the Independent Schools' Christian Alliance, working with other schools across the country who share a similar ethos, and has partnerships with schools in Uganda and Chengdu, China, with the aim of improving pupil outcomes both for Dean Close pupils and those of the partner schools.

Recruitment and Remuneration of Senior Management

Remuneration of senior employees is set by the Remuneration Committee, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the Foundation's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the Foundation remains sensitive to the broader issues of pay and employment conditions elsewhere. The Foundation aims to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the Foundation's charitable vision and purpose is primarily dependent on its key management personnel and staff costs are the largest element of expenditure.

Recruitment and Training of Trustees

The Nominations Committee makes recommendations for the appointment of Members and Trustees. Candidates are selected with regard to their availability, eligibility, commitment, specialist skills and Christian standing, and are appointed at a General Meeting of the Members. All new Members receive an induction pack of relevant documents outlining their responsibilities and attend an induction workshop conducted by the Chairman, Warden and Chief Finance and Operations Officer, at which the Foundation's organisation and policy are discussed and the responsibilities and duties of Members and Trustees are fully explained. New Trustees also receive induction training provided by either the Foundation's solicitors or an independent external body. Following a rigorous review as specified in the Charity Governance Code, the Board of Trustees have agreed by Special Resolution to extend the term of the current Chairman beyond 9 years to 2026.

Trustees attend a range of external training days on a schedule kept by the Chief Finance and Operations Officer. Additionally, Trustees receive briefings from the Chief Finance and Operations Officer and one Board meeting per year is primarily devoted to training on governance issues and matters of current concern. A thorough programme of online training is undertaken via Educare.

Legal Structure of the Foundation and Definition

The Charity has three wholly-owned non-charitable subsidiaries, Dean Close Services Limited (DCSL), Dean Close Nurseries Limited (DCNL) and Dean Close Education Limited (which is dormant for the year ended 31 August 2024). The results of the subsidiaries are included in Note 3 of the Financial Statements. The annual profits of both subsidiaries are donated to the Foundation under the Gift Aid Scheme. The trading activities of the subsidiaries comprise letting of the Foundation facilities when not in use by the Foundation, the provision of courses, revenue from the Foundation shops and the operation of day nurseries. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report. When this report refers to 'Group', it means the combined finances of the Charity (The Dean Close Foundation) and its three subsidiaries, DCSL, DCNL and Dean Close Education Limited.

OBJECTS, AIMS AND OBJECTIVES

When reviewing the aims and objectives of the Foundation and in planning its future activities the Trustees consider its charitable objectives and Strategic Plan.

Charitable Objects

The Charity's Objects, as set out in its Articles, are the advancement of education, including the provision of schooling for children based firmly upon Christian evangelical principles and the provision of assistance with the resources available to the Foundation for the education of children with parents of limited resources. The Charity also has various restricted reserves enabling it to award modest scholarships, bursaries and prizes, as well as a few un-endowed trust funds held for special purposes in connection with the development of the Foundation's facilities.

Mission statement

The Charity's mission is to provide the necessary education and appropriate training to enable children and young people to flourish and to achieve their potential as individuals, and thereby to ensure that as adults they will be confident and successful members of society and effective contributors to it.

Intended impact

Within its charitable objects, the Charity's intention is to provide first class childcare in its nurseries and a first-class education through strong academic tuition and by developing broader skills that enable every pupil to realise his or her potential to the full. This involves emphasis on co-curricular activities through academic, sporting, artistic, team building and social skills, as well as encouraging spiritual awareness and self-reflection. This approach builds self-confidence and life skills in the Foundation's pupils and inculcates a desire to learn and a willingness to contribute to the wider community whilst at school and in later life. The Charity believes that the true impact of education can only be measured over the long term in the contribution alumni make to their communities. It endeavours to measure this impact by staying in close contact with alumni, conducting regular surveys of their activities and contributions to society.

Aims

The aim of the Charity is to provide high-quality education and care for day and boarding pupils from Nursery (age approximately 6 months) to Upper Sixth level (18/19 years). During the year under review, this was carried out by 6 nurseries and 5 schools operating in Cheltenham, Gloucester, Chepstow and Newport. The nurseries and schools are overseen jointly by the Trustees, through the Warden and Chief Finance and Operations Officer.

Most of the children from Dean Close Preparatory School enter the Senior School and the vast majority of those leaving the School after A Levels have historically sought entry to universities and other higher education establishments. Pupils from Dean Close St John's School (at 13) and Dean Close Airthrie School (at 11) enter a variety of different senior schools, including Dean Close School. In addition to the academic life of the Schools, pupils' co-curricular activities include an extensive range of musical, dramatic and artistic activities as well as sports training, with many teams achieving success at county and national level. The needs of the wider community are addressed through an imaginative and wide-ranging Community Action and Partnerships programme and the Foundation makes many of its facilities available to the community and to local charities at reduced rates.

Christianity is at the heart of the Charity both in its aim and values and in practice, in regular formal services and voluntary Christian Union groups, bible study classes and an active Chaplaincy. The Foundation's educational policy is built upon its Christian principles and Trustees aim to ensure that pupils of all faiths and none are encouraged to consider their own response to questions of faith based upon a clear understanding of the Christian message. The Charity has defined its aim and values, based on the principles of biblical Christianity, and these are embedded in every aspect of its activities. The overarching aim is Flourishing, and the three key values are Courage, Love and Contribution.

The Charity aims to maintain a warm family atmosphere and a very high standard of pastoral care for all members of its community.

Objectives

- To make excellent provision for teaching and learning, ensuring that the curriculum is giving an outstanding preparation for life after school.
- To continue to improve the quality of the Foundation's facilities.
- To recruit, retain and develop excellent staff, both teaching and non-teaching.
- To maintain a broad and appropriate range and variety of co-curricular activities for all children and young people and to promote and develop sporting, musical, dramatic and artistic achievement, and spiritual awareness, across the Foundation.
- To sustain pupil recruitment in the face of ongoing difficult economic circumstances and to continue to widen access to Dean Close by the provision of means-tested assistance both for new applicants and in hardship cases affecting existing pupils.
- To develop further the Charity's commitment to partnerships, locally, nationally and internationally.

Strategies to achieve the Objectives

- Recruitment, induction, appraisal, mentoring and training of staff to ensure they are providing the very best quality of experience for children and young people, inside and outside the classroom.
- Constant review and innovation within the curriculum and co-curriculum, ensuring the needs of children and young people are met with a keen eye on the future requirements of universities, employment and wider society.
- Employment of highly qualified, specialist staff to maintain standards of sport, music, and drama.
- Continued investment in Foundation facilities through ongoing maintenance and through selected refurbishment and enhancement of facilities, particularly in boarding.
- Fundraising to support three key areas of development: campus, community and curriculum.

The aims and objectives set for the Charity's subsidiaries are to donate profits to facilitate the achievement of the Charity's aims and objectives as above.

EMPLOYEE INFORMATION

Online resources via a policy portal are in place for members of the teaching and support staff; a number of important measures, including the development of a universal appraisal system, have been introduced for members of the Charity's support staff. Considerable time and effort is expended in ensuring that all members of staff are kept fully informed about new developments and in addressing questions and any concerns.

A significant amount of staff time is devoted to ensuring that the Charity's policies are fully compliant with current legislation and best practice. The Charity seeks to work with all employees, taking into account their personal circumstances, to ensure that appropriate training, development and advancement opportunities are available to enable them to reach their full potential. The Charity is committed to a policy of equal opportunity in employment. The aim of the policy is to ensure that:

- selection criteria and procedures are in place to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.
- no job applicant or employee receives less favourable treatment on the grounds of their gender, gender reassignment, marriage or civil partnership, pregnancy and maternity, sexual orientation, disability, race, colour, ethnic background, nationality, religion or belief or age.
- no employee suffers harassment or intimidation.

DISABLED PERSONS

The Charity will employ disabled persons when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are the Directors of The Dean Close Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

STRATEGIC REPORT

Principal risks and other matters of strategic importance

The Board of Trustees is responsible for the management of the strategic risks faced by the Charity. Detailed consideration of risks is delegated to the Finance and General Purposes Committee, assisted by the Warden and Chief Finance and Operations Officer. Risks are identified and assessed and controls are implemented and monitored regularly. The Charity's Risk Model is reviewed and updated on a termly basis by the Warden and Chief Finance and Operations Officer with Trustee input and overview and then presented to the Finance and General Purposes Committee for approval.

The key risk controls used by the Charity include:

- maintenance of a comprehensive Risk Register.
- formal agendas and minutes for all Committee and Board meetings.
- detailed Terms of Reference for all Committees, which are regularly reviewed.
- comprehensive strategic planning, budgeting and management accounting procedures.
- a well-established organisational structure and clear lines of reporting.
- a comprehensive range of formal, written policies.
- clear authorisation and approval levels.
- vetting procedures as required by law.

Through its risk management processes, the Board has concluded that the major risks currently confronting the Charity are:

- the generation of insufficient surplus to fund the objectives of the Strategic Plan.
- the impact of VAT on school fees and the removal of Business Rates Relief announced by the new Government on enrolment numbers, and participation in extracurricular activities.
- a downturn in the demand for independent education driven by economic conditions both nationally and internationally, and current parental affordability concerns.
- increased cost caused by changes in Government policy.

The Board is satisfied that all major risks identified have been adequately mitigated where necessary and possible. It is recognised that such systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. The diversification of income streams and growth strategies for Dean Close Nurseries Limited and Dean Close Services Limited will continue to reduce risk in the longer term.

Results for the year

Total full-time equivalent pupil numbers across all Dean Close schools for the year were 1,136 and on a like-for-like basis were very similar to those of the previous two years.

Results for the year (continued)

The consolidated surplus for the year before financing costs, investment gains, depreciation and amortisation of goodwill was £2.61m (2023 £1.88m). This was ahead of budget and included a positive variance in net fee income and overall savings against the total expenditure budget. Key factors in generating this improved surplus were the additional contribution from the two trading subsidiaries, Dean Close Nurseries Limited and Dean Close Services Limited, continuing cost control which has increased the margin between net fee income and overall salary costs and a reduction in energy costs following the spike in prices the previous year.

Total incoming resources increased by £2.87m (9.5%) with the two main sources of income, fee and trading income, significantly higher than the previous year. The diversity of the Foundation's income stream is one of the key elements to reducing risk within the business model.

Total expenditure increased by £2.47m (8.2%) and was below budget. The cost base continues to be carefully managed.

Capital investment during the year totalled £2.3m. This included the purchase of a property in Cheltenham, land at Castleford Hill, Chepstow, significant upgrade and refurbishment works to a Sixth Form boarding house, investment to improve outside play areas at both the Dean Close Preparatory School and Pre-Preparatory School sites and ongoing investment in the Foundation's ICT network.

The Balance Sheet has been strengthened following receipt of a total of £4.1m from parents opting to pay now for future years invoiced with resulting cash held on deposit of £4m at 31 August 2024 (2023 £Nil). Additionally, fees received in advance in respect of the financial year ending 31 August 2025 totalled £8.3m (2023 £3.9m). The consolidated cash flow statement sets out the movement in funds during the year and explains how cash has been utilised.

The Trustees are satisfied with the overall financial position.

Review of achievement and performance for the year

The schools within the charity achieved strong pupil numbers, with numbers at Dean Close School at their highest in the school's history.

The Foundation continued to invest in IT infrastructure, Cyber security and safety of Personal Data were a particular area of investment and training.

Infrastructure and facilities improvements continued, including investment in a Sixth Form boarding house at Dean Close School and refurbishment of the Old Gym.

At Dean Close School, those taking public examinations performed well, achieving 66% A*-B grades at A level, with 40% of pupils achieving AAB or better. Over 90% of Upper Sixth leavers were accepted at either their first or second choice university. New A level courses in Sociology, Photography and Media Studies were added to the range of options at Sixth Form level.

Dean Close sports teams performed well across the year, with high participation rates: at Dean Close School 100% of all pupils in Y9 and Y10 represented the school at sport across 12 different sports. A 1st XI girls hardball Cricket programme was established.

A variety of drama productions took place during the year, including senior productions of 'Anything Goes', 'Mayfly Angel' and 'Our Day Out'. At DCPS the Junior Forms production of 'Hoodwinked' featured every pupil in Years 3-5. The annual 'Three Schools Dance Show' at the Bacon Theatre was a great success.

The annual music concert programme was of high quality and was well-attended and supported across the schools. The Summer Concert at DCS featured a quintet of former choristers of the Schola Cantorum and the premier of an original wind quintet by one of the Upper Sixth leavers. At Dean Close St John's a 'School of Rock Day' featured guitar-workshops, making a record player and digital music-making. The Dean Close Pre-Prep strings group 'Squirrel Strings' won the Cheltenham Festival of Music.

A full programme of trips and tours took place, including DCSJS visiting South Africa.

Review of achievement and performance for the year (continued)

The 'Foundation Stones' values continued to be embedded across all the Schools and nurseries during the year, with reward systems to promote the Aim and Values of Flourishing, Courage, Love and Contribution, as well as assemblies, PSHCE lessons and tutorials focusing on their development.

Dean Close won national recognition by gaining the Talk Education Award for 'Thinking Beyond the Curriculum', given for innovative ideas and initiatives. The 'Skills Lab' at DCS and the new Saturday Curriculum '5Time' at DCPS were among the initiatives rewarded.

The Charity's partnership work continued and was strengthened during the year, particularly in the Cheltenham Education Partnership work with other secondary schools in Cheltenham. Staff and pupils took part in a number of collaborative activities throughout the year, including the 'Changemakers' programme focusing on sustainability and climate change.

In February 2024, Dean Close School, Dean Close Preparatory School and Dean Close Pre-Preparatory School were all inspected by the Independent Schools' Inspectorate. The schools met all the relevant standards including those for boarding. The Board of Trustees and school leaders were described as 'thoughtful and rigorous' in their planning for the future development of the schools. The report on Dean Close School referenced the quality and variety of co-curricular provision, which 'allows pupils of all ages and aptitudes to participate and develop skills such as effort, self-motivation and teamwork.' At Dean Close Preparatory and Pre-Preparatory Schools the report commented that 'Staff conduct skilful assessment and their in-depth awareness of individual pupil needs supports all groups of pupils'.

Energy and emissions report

With a new Estate Compliance Strategy in place, the Foundation is working on ways to reduce emission and waste across all of the estate.

During the year the Foundation took the following energy efficiency actions:

- Continued to roll out LED conversions and replacements across all sites
- Replaced three diesel vehicles with three electric vehicles
- Replaced five boilers which were prioritised based on efficiency, waste and emissions
- Ensured sustainability is at the forefront of each capital investment decision made across the Foundation

The Foundation engages a consultant company advising the Foundation on all energy matters including how and where the Foundation can reduce its footprint as quickly as possible.

A summary of key data is as follows:

	2024		2023	
	Usage (kWh)	**Emissions (tC02e)**	Usage (kWh)	Emissions (tC02e)
Gas	**6,668,973**	**1,198.11**	7,258,715	1306.59
Electric	**1,932,404**	**393.80**	2,047,373	,423.96
Transport	**189,660**	**46.80**	149,091	36.88
Total Consumption	**8,791,037**	**1,638.71**	9,455,178	1,767.43
Intensity ratio (Emissions per FTE)	**3.17**		3.8	

UK energy use covers the use of natural gas for heating and cooking and electricity for heating and lighting across all entities of the Dean Close Foundation. Associated greenhouse gases have been calculated using the Gov.uk 2024 conversion tables using 0.18253 per kWh for natural gas and 0.20705 per kWh of electricity in each reporting year.

Grant-making policy

Trustees are committed to broadening access to Dean Close schools by offering means-tested bursaries based on an assessment of financial need to pupils whose parents/guardians are unable to pay the full fees.

This year, the value of means-tested bursaries, clergy and Armed Services awards and other concessionary fees was £3.3m (2023: £3.2m), with a further £1.1m (2023: £1.2m) awarded in the form of scholarships and exhibitions. The Foundation's policy is to widen access to Dean Close to all sectors of the community by providing means-tested assistance with up to 100% of school fees for deserving children and to relieve hardship where an existing pupil's education and future prospects may otherwise be at risk. Fundraising continues to provide major awards, known as Foundation Awards and the school is extremely grateful to and thanks donors for their support.

Scholarships were made available to entrants aged 11, 13 and 16 for outstanding ability in academic work, music, art, sport and drama. Such awards are limited to a maximum of 20% of the school fees for any individual. Minor awards were also extended to a small number of children entering the Preparatory School at age 7.

Fundraising performance

Donations, gifts and legacies totalled £143,767 in the year (2023: £274,208) and these were almost exclusively credited to restricted funds. Further details concerning restricted donations are included in Note 18b to the Financial Statements. The Trustees wish to record their thanks for the many kind and generous donations received throughout the year, without which this and other initiatives would have either been delayed or not been possible.

Fundraising is overseen by the Development Committee which is chaired by a Trustee and includes other Trustees. The Development department carries out day to day fundraising tasks assisted by an external Consultant. Particular attention continues to be given to the management of data and the protection of vulnerable people. The Foundation has had no complaints about its fundraising activities this year.

Investment powers, policy and performance

The Trustees' powers for the investment of its corporate funds are set out in the Articles of Association and are, subject to statutory requirements, broadly equivalent to those of an individual beneficial owner. For the investment of the trust funds that it administers, the Foundation is subject to the Trustee Act 2000.

The Trustees' policy is to obtain a return of capital gain and reinvested dividends on the invested funds at a suitable benchmark, thereby enhancing the Foundation's ability to provide scholarships, bursaries and prizes in future years and preserving the capital value of the underlying investments.

The Charity's investment portfolios are managed on a discretionary basis under an agreed set of investment parameters that are stated in the Foundation's Investment Policy. Portfolio performance is reported termly against an agreed benchmark and the Foundation's Investment Manager provides six-monthly briefings to the Finance and General Purpose Committee which include detailed analysis of the portfolio's performance, overviews of market conditions and their strategic approach to obtaining an optimal return on the Charity's investments.

At the year end the Group's long term investments totalled £3.7m (2023: £3.3m). The increase in the portfolio valuation was attributable to overall investment gains of 7.8% which was a satisfactory performance in a year of rising world stock markets in most geographical areas.

Reserves level and policy

The Charity's policy is to invest in premises and equipment to support the business and education requirements of the Charity, while ensuring adequate financing of day-to-day operational needs and the maintenance of adequate reserves to meet any contingencies as they arise. Therefore, retained surpluses are not held as free reserves, but are normally utilised for improvements to the Charity's facilities. This policy is supported by external financing as and when necessary which is allocated to specific capital projects.

The Group's total reserves of £18.5m (2023: £17.62m) at the year end represented £0.47m (2023: £0.49m) endowment capital, £0.61m (2023: £0.53m) unspent restricted funds and £17.42m (2023: £16.6m) unrestricted funds. £24.4m (2023: £24.8m) of this represented the net book value of fixed assets less associated long term funding arrangements, leaving negative free reserves of £7m (2023: negative £8.2m) at the year end.

Resources

The Charity has at its disposal restricted and unrestricted funds which are invested by Rathbone Investment Management in a broad portfolio of bonds, equities and cash, as disclosed in note 11.

The Charity has a main bank overdraft facility of £3m to service working capital requirements. The bank loan facility has been utilised as planned to provide funding to deliver ongoing capital developments which form part of the overall Strategic Plan. The Charity's corporate and trust funds all have sufficient realisable assets appropriate to meet their respective obligations.

FUTURE PLANS OF THE DEAN CLOSE FOUNDATION

The Charity's Strategic Plan sets out the Dean Close values, vision and ethos. The focus of The Plan is sustainability: financial, educational and environmental. The Plan is built around four pillars:

- Educational excellence;
- Financial sustainability;
- Employee engagement;
- Partnership collaboration.

Around these pillars, the plan establishes medium to long-term aims, which are:

- To cement and sustain the Foundation's strong academic reputation while avoiding selection based on academic grounds alone;
- To remain a flourishing, co-educational community for families, with excellent boarding and day facilities and excellent childcare support in its nurseries;
- To continue to develop excellent relationships with parents and families and to provide the highest possible standards of pastoral and tutorial support;
- To sustain a reputation for excellence in the creative and performing arts and in sport;
- To continue to develop the work of the Chaplain and the chaplaincy team, developing young Christian leaders and promoting spiritual development;
- To maintain and increase pupil numbers throughout the Foundation, particularly at Dean Close St John's School and in boarding;
- To continue the growth in earnings of Dean Close Services Limited and Dean Close Nurseries Limited, in order to invest those earnings in facilities across the Foundation;
- To establish a new lower cost base;
- To be excellent employers; recruiting, training and developing outstanding staff;
- To develop and sustain partnerships with other organisations, locally, nationally and internationally; and
- To continue to develop community access to the Foundation's facilities and to widen access to independent education through the provision and active promotion of means-tested bursaries.

The Development Board oversees fundraising activity towards our three major campaign objectives; campus, community and curriculum:

- Campus – to renew the academic heart of Dean Close School, creating innovative and exciting teaching spaces with an emphasis on preparation for modern working life.
- Community – to establish a long-term endowment supporting Foundation Awards, which are transformational bursaries for deserving and talented pupils.
- Curriculum – to establish a curriculum through all the age groups which emphasises Skills for the Future, including links with industry through parents, alumni and local partners.

FINANCIAL STATEMENTS

The financial statements on pages 22 to 50 have been prepared in accordance with the Charities Statement of Recommended Practice FRS 102.

KEY ITEMS IN THE STATEMENT OF FINANCIAL ACTIVITIES

Restricted income comprises dividend income from investments, rental income and donations. The endowed reserve contains the unamortised portion of the Arts Council Grant made for the construction of the Music School in 1997. The Foundation's non-charitable trading includes the following activities of Dean Close Services Limited: the operation of the Bacon Theatre, lettings of certain parts of the Charity's property to provide access for external groups to sporting, music, drama and other facilities, together with income from the School Shops. The Foundation has continued to develop a range of owned and managed sports and educational offerings including an Easter Revision course and various Dean Close branded sports camps, which are operated through Dean Close Services Limited. The management of the children's day nurseries is undertaken through Dean Close Nurseries Limited. All surplus income of the trading subsidiaries are donated to the Foundation under the Gift Aid Scheme and used for the purposes of the Charity.

PUBLIC BENEFIT

Direct Public Benefit includes means tested bursaries and grants made to existing and new families. Trustees are committed to broadening access to Dean Close by offering means-tested bursaries to pupils whose parents / guardians are unable to pay the full fees. All bursaries are means-tested annually and have a value of up to 100% of the fees. The Foundation also has a scheme that helps military families with their fees.

Bursaries can range from 5% to 100% of the school fee. On occasions where certain students are selected for particular extracurricular Arts/Drama/Sport trips but where the cost alone precludes their participation the Foundation can relieve that financial burden in certain circumstances. The Charity does not have a large endowment and therefore the Trustees are mindful, when bursaries are provided, that there remains a fair balance overall between those benefitting from bursaries and full fee-paying parents, many of whom make significant personal sacrifices to fund their children's education. Fundraising continues to provide an endowment to support Foundation Awards and life-changing bursaries for pupils from families of modest means. Foundationers, supported by donors from the Old Decanian community, former parents and other individuals, continue their education at the senior school and these talented and deserving individuals would never have been able to consider independent schooling without these transformational awards. The Foundation aims to increase the number of Foundationers to 20 over the coming 10 years.

Indirect Public Benefit includes the use of facilities such as the Bacon Theatre and sports facilities which, from time to time, are let on a reduced cost to local groups or groups where their educational or artistic value is highly regarded in educational terms. The Foundation also invites local preparatory schools, junior schools and nurseries to benefit from Forest School, and from events such as sports skills days, choral and orchestral days, and science days. Local children also have the opportunity to attend theatre workshops and plays. Facilities are also made available to educational groups, and have, for example, hosted at no charge Gloucestershire Early Years meetings in the Pre-Prep hall with teachers from schools across Cheltenham.

The Trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

PARTNERSHIPS

Partnership activity in the Dean Close Foundation operates on four levels: locally, regionally, nationally and internationally. Locally, it has many partnerships with primary schools and their pupils attended concerts, plays, Sports Skills and Community Action days, and Forest School at DCSJS, DCPS and DCS or hosted assemblies led by DCS pupils. The Cheltenham Education Partnership (CEP), of which Dean Close is a Founder Member, has continued to gain momentum and provide benefits for pupils in all Cheltenham's secondary schools. There are many regional partnership links in Gloucestershire and the South West for sport, business, chaplaincy and music. National links are with academic organisations, the Choir Schools' Association, and TISCA. Finally, international partnerships have been disrupted but the Foundation remains committed to schools in Uganda and China. Fundraising to support Nyakatukura Memorial Secondary School in Uganda continued during the year.

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (CONTINUED)

AUDITOR

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Annual Report of the Trustees and incorporated Strategic Report were approved by the Board on 26 February 2025 and signed on its behalf by

Kathryn Carden
Chairman of Trustees

THE DEAN CLOSE FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION

Opinion

We have audited the financial statements of The Dean Close Foundation (the "charitable company") and its subsidiaries (the "group") for the year ended 31 August 2024 which comprise the consolidated Statement of Financial Activities, the consolidated and Charity Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent company has not kept adequate accounting records; or
- the parent 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

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud
We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of certain income streams which includes, nursery fees and bursaries, scholarships and allowances and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the bursar and the Finance & General Purpose Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over certain income streams listed above, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION (CONTINUED)

Use of our report

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

Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

Date: 28 February 2025

THE DEAN CLOSE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2024 (Incorporating a consolidated Income and Expenditure account)

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowed funds 2024 £	Total 2024 £	Total 2023 £
Income from:						
Charitable activities						
School fees receivable	2	**25,796,092**	**-**	**-**	**25,796,092**	23,528,970
Ancillary trading income	4	**542,607**	**-**	**-**	**542,607**	571,910
Other trading activities						
Non-ancillary trading income	3	**6,509,432**	**-**	**-**	**6,509,432**	5,763,352
Investments						
Investment income	11(c)	**86,990**	**54,685**	**-**	**141,675**	125,620
Bank and other interest		**43,303**	**-**	**-**	**43,303**	34,446
Voluntary sources						
Grants and donations		**-**	**143,767**	**-**	**143,767**	274,208
Total incoming resources		**32,978,424**	**198,452**	**-**	**33,176,876**	30,298,506
Expenditure on:						
Raising funds						
Non-ancillary trading	3	**5,130,014**	**-**	**-**	**5,130,014**	4,634,733
Financing costs		**823,878**	**-**	**-**	**823,878**	614,385
Investment management		**20,968**	**4,551**	**-**	**25,519**	22,593
Fundraising and development		**126,153**	**-**	**-**	**126,153**	112,051
Total deductible costs	7	**6,101,013**	**4,551**	**-**	**6,105,564**	5,383,762
Charitable activities						
Education and grant making		**26,327,468**	**156,728**	**-**	**26,484,196**	24,735,390
Total expenditure	7	**32,428,481**	**161,279**	**-**	**32,589,760**	30,119,152
Net incoming funds from operations before transfers and investment gains/(losses)		**549,943**	**37,173**	**-**	**587,116**	179,354
Gains/(losses) on investments		**247,617**	**38,737**	**-**	**286,354**	(112,240)
Transfers between funds		**19,651**	**-**	**(19,651)**	**-**	-
Net movement in funds		**817,211**	**75,910**	**(19,651)**	**873,470**	67,114
Fund balances at 1 September 2023		**16,605,399**	**530,617**	**491,285**	**17,627,301**	17,560,187
Fund balances at 31 August 2024	18	**17,422,610**	**606,527**	**471,634**	**18,500,771**	17,627,301

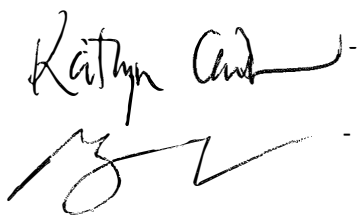
The notes on pages 25 to 50 form part of these financial statements.

THE DEAN CLOSE FOUNDATION

FOUNDATION AND CONSOLIDATED BALANCE SHEETS AS AT 31 AUGUST 2024
REGISTERED NUMBER: 04193948

	Notes	**Group 2024 £**	Group 2023 £	**Foundation 2024 £**	Foundation 2023 £
Fixed assets					
Intangible	8	**332,665**	443,553	**-**	-
Negative goodwill	9	**(29,083)**	(44,946)	**(29,083)**	(44,946)
Tangible	10	**34,093,422**	32,868,882	**33,798,024**	32,536,452
Investments	11	**3,661,654**	3,296,063	**5,070,267**	4,815,564
		38,058,658	36,563,552	**38,839,208**	37,307,070
Current assets					
Stocks		**196,324**	200,336	**17,610**	19,722
Debtors	12	**1,762,150**	1,792,026	**1,616,336**	1,662,755
Cash at bank and in hand		**4,383,430**	67,778	**4,350,409**	12,906
		6,341,904	2,060,140	**5,984,355**	1,695,383
Current liabilities					
Creditors payable within one year	13	**(14,911,886)**	(11,243,418)	**(15,474,046)**	(11,780,396)
Net current liabilities		**(8,569,982)**	(9,183,278)	**(9,489,691)**	(10,085,013)
Total assets less current liabilities		**29,488,676**	27,380,274	**29,349,517**	27,222,057
Long term liabilities					
Creditors payable after one year	14	**(10,987,905)**	(9,752,973)	**(10,964,508)**	(9,710,519)
Net assets		**18,500,771**	17,627,301	**18,385,009**	17,511,538
Financed by:					
Endowed funds	18a	**471,634**	491,285	**471,634**	491,285
Restricted funds	18b	**606,527**	530,617	**606,527**	530,617
Unrestricted funds	18c	**17,422,610**	16,605,399	**17,306,848**	16,489,636
Total funds	18	**18,500,771**	17,627,301	**18,385,009**	17,511,538

The net result for the financial year dealt with in the financial statements of the parent charity was a surplus of £873,471 (2023: deficit £40,699). The financial statements were approved and authorised for issue by the Board of The Dean Close Foundation on 26 February 2025 and signed on its behalf by:



- Kathryn Carden
Chairman

- Matthew Smith
Treasurer

The notes on pages 25 to 50 form part of these financial statements.

THE DEAN CLOSE FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Group 2024 £	Group 2023 £
Reconciliation of net incoming resources to net cash inflow from operating activities			
Net incoming funds from operations		**587,116**	179,354
Elimination of non-operating cashflows:			
Investment income and bank interest received		**(184,978)**	(160,066)
Finance costs		**823,878**	614,385
Depreciation charge	10	**1,103,659**	990,738
Profit on disposal of assets	5	**(1,570)**	(7,747)
Amortisation of goodwill on acquisition	8	**110,888**	110,888
Amortisation of negative goodwill on acquisition	9	**(15,863)**	(15,863)
Decrease/(increase) in stock		**4,012**	(63,215)
Decrease/(increase) in debtors		**29,876**	(134,864)
Decrease in creditors (excluding fees in advance and deposits and composition fees)		**(1,093,835)**	(352,749)
Increase in fees in advance, deposits and composition fees		**7,594,205**	305,405
Net cash inflow from operations		**8,957,388**	1,466,266
Cash flows used in investing activities			
Purchase of tangible fixed assets	10	**(2,328,199)**	(1,998,024)
Proceeds from sale of tangible fixed assets		**1,570**	9,472
Additions to investment portfolio		**(79,237)**	(319,571)
Investment income and bank interest received		**184,978**	160,066
Net cash used in investing activities		**(2,220,888)**	(2,148,057)
Cash flows provided by financing activities			
Finance costs paid		**(823,878)**	(614,385)
New bank loan		**850,000**	285,000
New finance lease and hire purchase contracts		**29,470**	153,312
Repayment of secured loans		**(653,169)**	(424,347)
Repayment of other loan		**(125,000)**	(71,376)
Repayment of finance lease and hire purchase contracts		**(81,420)**	(59,948)
Net cash used by financing activities		**(803,997)**	(731,744)
Change in cash and cash equivalents in the year		**5,932,503**	(1,413,535)
Cash and cash equivalents at the beginning of the year		**(1,549,073)**	(135,538)
Cash and cash equivalents at the end of the year		**4,383,430**	(1,549,073)
Analysis of cash and cash equivalents			
Cash at bank		**4,383,430**	67,778
Bank overdrafts	13	-	(1,616,851)
		4,383,430	(1,549,073)

1 STATEMENT OF ACCOUNTING POLICIES

(a) Charity information

The Dean Close Foundation is a charitable company limited by guarantee incorporated in England (charity number 1086829 and company number 04193948) and is a Public Benefit Entity operating from its registered office Shelburne Road, Cheltenham, GL51 6HE.

(b) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (2nd edition effective 1 January 2019). The financial statements have been prepared on the historical cost basis of accounting, as modified by the revaluation of investments, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities SORP (FRS 102) and the accounting policies set out below.

The functional currency of the Foundation is considered to be GBP because that is the currency of the primary economic environment in which the Foundation operates.

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity-only Cash Flow Statement within the consolidated financial statements.

No separate Statement of Financial Activities has been presented for the Foundation alone, as permitted by Section 408 of the Companies Act 2006. The net results of the parent Charity are disclosed on page 23.

Going Concern

As part of the Trustee's responsibilities of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of scenarios have been considered. The assumptions modelled are based on the current economic climate and the Headwinds. The most severe risk identified is a downturn in pupil numbers and the impact that this would have on the Foundation's cash flow. In this event, the Trustees measured response would be to place a moratorium on all but essential capital expenditure, to make further cost savings where appropriate to do so and if necessary to liquidate investments held as detailed in note 11 in order to enable the Foundation to operate within its current or increased borrowing facilities.

The Trustees are mindful of "The Headwinds", the challenges that lie ahead which include the imposition of VAT on school fees effective from 1 January 2025 and the Government's intention to remove charitable business rates relief from 1 April 2025. Much research has been done to develop strategies to mitigate the additional costs associated that these impending changes will bring. The Foundation has four 3 year finance strategies covering new and additional income as well as 're-setting' the cost base. The three-year strategies started on 1 September 2023 and include doubling the number of Nurseries, increasing the profitability of Dean Close Services Limited and establishing a new lower cost base across the Foundation. The Trustees believe that the Foundation is therefore in a strong position to combat such challenges.

On the basis of this review, these financial statements have been prepared on a Going Concern basis, which the Trustees consider to be appropriate based on the results for the year ending 31 August 2024 and cash flow projections prepared for the period 31 August 2025 and beyond. The cash flow projections indicate that the Group will be able to meet its liabilities as they fall due and will be able to operate within the facilities currently available. The Trustees consider that there are no material uncertainties over the Foundation's financial viability.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Judgments in applying Accounting Policies and Key Sources of Estimation Uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgments have been made include the following:

(i) Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charge for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 8, 9 and 10 for the carrying amount of the assets and notes 1(i), (j) and (k) for the useful lives for each class of assets.

(ii) Impairment of investments

When assessing impairment of the investments, management considers factors including the financial results, future outlook, net assets and market value of each investment. See note 11 for the net carrying amount of investments.

(iii) Impairment of debtors

The group makes an estimate of the recoverable value of trade and fee debtors. When assessing impairment of trade and fee debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors.

(c) Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of The Dean Close Foundation and its subsidiary Companies, Dean Close Services Limited, Dean Close Nurseries Limited and Dean Close General Charitable Trust and certain Scholarship Funds made up to 31 August 2024. Dean Close Services Limited manages and lets property on behalf of the Foundation and operates the School shops and the Bacon Theatre. Dean Close Nurseries Limited operated six children's day nurseries during the year under review. All intra group sales and profits are eliminated fully on consolidation. On 28 June 2024, Dean Close Foundation set up a new subsidiary, Dean Close Education Limited. The Foundation owns 100% of the share capital in Dean Close Education Limited. The subsidiary is dormant for the year ended 31 August 2024 and has not been consolidated into Dean Close Foundation on the grounds that it is immaterial.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(d) Incoming resources

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. School fee income represents fees receivable, including additional charges, less concessions.

Amounts received under the School's Advance Fee Scheme contracts for education not yet utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

Non-charitable trading

Income from non-charitable trading represents the turnover from the trading activities of the subsidiary companies, Dean Close Services Limited and Dean Close Nurseries Limited and is recognised when the company has earnt entitlement to the revenues.

Investment Income

Dividend income is accounted for at the date on which the Charity has entitlement to the dividend. Interest on bank balances and fixed income securities are accounted for in the period in which interest is earned.

(e) Government grants

Income from Government grants, whether "capital" grants or "revenue" grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlement occurs before income is received, the income is accrued. Where income is received in advance of the Group having entitlement to the funds, the income is deferred.

(f) Donations

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and economic benefit to the Charity is considered probable. Donations receivable for the general purposes of the Charity are credited to "other unrestricted funds", to distinguish them from direct Foundation income. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Trustees. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or of the value to the Foundation in the case of donated services or facilities.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

g) Legacies

For residuary legacies, entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Pecuniary legacies are recognised once probate has been granted and notification received and where they can be reliably measured. Receipt of a legacy, in whole or in part, is only considered probable and measurable when the amount can be measured reliably and there are no potential claims against the estate.

(h) Expenditure

Expenditure is accounted for on an accruals basis as soon as a liability is considered probable, discounted to present value for longer term liabilities. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of the Trustees' best estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Cost of generating funds includes all the financing costs of the entity in addition to the costs of the development office and trading expenditure of the subsidiary companies accounted for on an accruals basis.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Trustees, and all the costs of complying with constitutional and statutory requirements, such as the costs of Trustees meetings and of preparing statutory accounts and satisfying public accountability.

(i) Goodwill and amortisation

Goodwill is the difference between the amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities.

Amortisation is provided on goodwill at rates calculated to write off the cost on a straight line basis over its expected useful life as follows:

Goodwill on acquisition of Nursery Childcare Services (UK) Limited	10% on cost

(j) Negative goodwill

Negative goodwill is the difference between the fair value of the assets and liabilities acquired of a business and the amount paid on acquisition.

Negative goodwill is credited to incoming resources on a straight line basis over its expected useful life as follows:

Negative goodwill on Asset Purchase of Airthrie School LLP	20% on valuation

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(k) Fixed assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation. Items costing less than £5,000 are written off as an expense on acquisition.

Depreciation is calculated so that tangible fixed assets are written off over their currently estimated useful lives at annual rates, which are as follows: -

Freehold land	Nil
Freehold property	1% - 6.67% on cost
Plant and equipment	2%/10%/20% on cost
Theatre equipment	10% on cost
Fixtures and fittings	10% - 20% on cost
Motor vehicles	20% on cost
School shop equipment	20% on cost
Computer equipment	10% - 25% on cost

Assets under construction are not depreciated until they are brought into use.

Following a periodic review of fixed assets on 1 September 2022, the rate of depreciation on the majority of freehold property was reduced to 1% and in respect of upgrade work to boarding houses included within fixtures and fittings, was reduced to 10%. Depreciation on these assets is calculated with reference to the number of remaining years since the date of acquisition.

(l) Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

(m) Stocks

Stocks are stated in the balance sheet at the lower of cost and net realisable value after making due allowances for obsolete and slow moving stock.

(n) Debtors

Short term debtors are measured at transaction price, less any impairment.

(o) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

(p) Creditors

Short term creditors are measured at the transaction price.

(q) Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities on a reducing balance basis over the lease term.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(r) Taxation

The Dean Close Foundation is a registered charity and is not liable to Corporation Tax or Income Tax on all its income and gains properly applied for its charitable purposes. Dean Close Services Limited and Dean Close Nurseries Limited, trading subsidiaries of the Foundation, are liable to Corporation Tax.

(s) Pension costs

Teaching Staff

The scheme is a multi-employer pension scheme. It is not possible to identify the Charity's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the scheme is accounted for as if it were a defined contribution scheme. The Charity'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 Charity also operates a defined contribution group personal pension plan with AVIVA. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

All pension costs are allocated to unrestricted funds, this being the fund from which wages and salaries are paid.

Non-Teaching Staff

The Charity operates a defined contribution group personal pension plan for its non-teaching staff with AVIVA. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

All pension costs are allocated to unrestricted funds, this being the fund from which wages and salaries are paid.

(t) Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investments in subsidiaries are valued at cost less provision for impairment.

(u) Composition fees

The Charity operates a composition fee scheme for parents. Income arising is treated as general income of the Foundation, out of which provision for future fee liabilities under the scheme is made.

(v) Recognition of liabilities

Liabilities are recognised when the Charity has an obligation to make payment to a third party.

(w) Redundancy

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

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(x) Funds policy

Unrestricted funds are funds that are available for use at the discretion of the Trustees in furtherance of the objects of the Charity.

Designated funds are unrestricted funds which have been set aside by Trustees for specific purposes.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes.

The Charity holds a grant under permanent endowment. Any income arising on the Permanent Endowment Fund is treated as restricted income of the Charity.

Expendable endowment funds represent the expendable endowment of the Charity. The funds are expendable at the discretion of the Trustees.

(y) Financial instruments

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

2 Charitable activities – fees receivable

	2024	2023
	£	£
Fees receivable comprise:		
School fees	**30,103,000**	27,783,183
Allowances		
Bursaries and concessionary fees	**(3,283,610)**	(3,184,272)
Scholarships and exhibition awards	**(1,134,036)**	(1,176,533)
	25,685,354	23,422,378
Add back: Bursaries, scholarships and awards paid for by restricted funds	**110,738**	106,592
	25,796,092	23,528,970

Scholarships, bursaries and exhibition awards paid for out of Restricted funds were £110,738 (2023: £106,592).

3 Income from subsidiary's trading activities

(a) The Charity owns the whole of the ordinary share capital of Dean Close Services Limited (registered number 02627579, registered office Shelburne Road, Cheltenham, GL51 6HE), whose trading activities include the school shops, and management and letting of facilities on behalf of the Charity such as the Bacon Theatre.

The following trading results for the subsidiary are incorporated in the Consolidated Statement of Financial Activities:

	2024 £	2023 £
Turnover	**1,186,728**	945,686
Cost of sales	**(298,767)**	(262,488)
Gross profit	**887,961**	683,198
Administrative expenses	**(491,985)**	(410,819)
Governance costs	**(3,500)**	(2,340)
Interest payable	**(3,098)**	(3,980)
Operating profit	**389,378**	266,059
Donation made under gift aid to the Foundation	**(389,378)**	(158,245)
Retained profit for the financial year	**-**	107,814
Total assets	**427,120**	471,609
Total liabilities	**191,357**	235,846
Share capital	**120,000**	120,000
Profit and loss account	**115,763**	115,763
Shareholder's funds	**235,763**	235,763

The subsidiary donated taxable profits to the Charity of £389,378 (2023: £266,059) under the Gift Aid Scheme.

Included in cost of sales and administration expenses are £323,863 (2023: £439,418) paid to The Dean Close Foundation. These transactions were eliminated on consolidation. At the year end, £63,078 was owed by The Dean Close Foundation (2023: £67,878).

3 Income from subsidiary's trading activities (continued)

(b) The Charity owns the whole of the ordinary share capital of Dean Close Nurseries Limited (registered number 09635445, registered office Shelburne Road, Cheltenham, GL51 6HE), whose trading activities during the year under review include the provision of nursery care operating from six sites.

The following trading results for the subsidiary are included in the Consolidated Statement of Financial Activities:

	2024 £	2023 £
Turnover	**5,322,704**	4,817,666
Operating expenses	**(253,594)**	(255,639)
Gross profit	**5,069,110**	4,562,027
Administrative expenses	**(4,071,570)**	(3,694,787)
Governance costs	**(7,500)**	(4,680)
Operating profit	**990,040**	862,560
Donation made under gift aid to the Foundation	**(990,040)**	(862,560)
Retained profit for the financial year	**-**	-
Total assets	**1,017,631**	1,100,122
Total liabilities	**61,682**	144,173
Share capital	**10,000**	10,000
Profit and loss account	**945,949**	945,949
Shareholder's funds	**955,949**	955,949

The subsidiary donated £990,040 (2023: £862,560) taxable profits to the Charity under the Gift Aid Scheme.

Included in operating and administration expenses are £3,464,277 (2023: £3,332,390) paid to The Dean Close Foundation. These transactions were eliminated on consolidation. At the year end, £728,122 (2023: £806,665) was owed by The Dean Close Foundation.

4 Charitable activities - ancillary trading income

	2024 £	2023 £
Registration fees	**36,220**	33,498
Pupils insurance discounts	**1,047**	1,709
Sundry receipts	**262,079**	139,332
School trips and activities	**243,261**	397,371
	542,607	571,910

5 Net incoming resources

This is stated after charging/(crediting):

	Group 2024 £	Foundation 2024 £	Group 2023 £	Foundation 2023 £
Depreciation of tangible fixed assets				
- Owned	**1,051,584**	**982,412**	958,409	904,831
- Held under hire purchase	**52,075**	**40,528**	32,329	20,783
Amortisation of goodwill	**110,888**	**-**	110,888	-
Amortisation of negative goodwill	**(15,863)**	**(15,863)**	(15,863)	(15,863)
Auditor's remuneration:				
- Fees payable for the audit of the financial statements	**40,500**	**29,500**	35,100	28,080
- Tax and other advisory services	**3,000**	**-**	2,140	-
Operating leases:				
- Land and Property	**449,413**	**449,413**	433,593	433,593
Interest payable				
- Under hire purchase	**15,254**	**12,156**	10,154	6,174
- Other	**748,319**	**748,319**	573,736	573,736
Profit on disposal of tangible fixed assets	**(1,570)**	**(1,570)**	(7,747)	(7,747)

6 Staff costs

	2024 £	2023 £
Wages and salaries	**17,751,060**	16,039,900
Social security costs	**1,518,839**	1,374,083
Pension contributions - Teachers' Pension Scheme	**1,551,237**	1,399,026
Pension contributions – other	**349,424**	286,861
Other costs including agency staff	**292,144**	144,830
Total direct costs of employment	**21,462,704**	19,244,700

	2024 £	2023 £
Aggregate employee – benefits of key management personnel	**1,068,050**	1,003,172

The average number of staff during the year was:

	2024 Headcount	2023 Headcount
Teaching Staff	**306**	286
Nursery Staff	**159**	149
Administration support:		
Welfare	**123**	101
Premises	**36**	33
Support	**156**	125
Administration of charity	**1**	1
	781	695

The number of higher paid employees was:

	2024 No.	2023 No.
£60,001 - £70,000	**26**	14
£70,001 - £80,000	**4**	6
£80,001 - £90,000	**4**	1
£90,001 - £100,000	**1**	1
£100,001 - £110,000	**2**	1
£110,001 - £120,000	**-**	-
£120,001 - £130,000	**-**	1
£130,001 - £140,000	**1**	-
£170,001 - £180,000	**-**	1
£180,001 - £190,000	**1**	-

In the year, contributions were made for 23 (2023:13) higher paid employees, to the Teachers' Pension Scheme, a defined benefit scheme and contributions were made for 17 (2023: 12) higher paid employee to a defined contribution scheme.

The Trustees received £Nil (2023: £Nil) remuneration during the year.

During the year, there were redundancy or termination payments made which amounted to £15,039 (2023: £19,215). At the year end £5,000 was outstanding (2023: £4,612).

7 (a) Analysis of expenditure

	Staff costs £	Other costs £	Depreciation £	Total 2024 £	Total 2023 £
Costs of generating funds					
Trading costs	**3,671,207**	**1,378,088**	**80,719**	**5,130,014**	4,634,733
Financing costs	**-**	**823,878**	**-**	**823,878**	614,385
Investment management fees	**-**	**25,519**	**-**	**25,519**	22,593
Development costs	**98,227**	**27,926**	**-**	**126,153**	112,051
Total costs of generating funds	**3,769,434**	**2,255,411**	**80,719**	**6,105,564**	5,383,762
Charitable activities					
Education and grant making					
Teaching	**12,736,457**	**1,102,762**	**-**	**13,839,219**	12,861,214
Welfare	**1,019,147**	**1,718,134**	**-**	**2,737,281**	3,009,067
Premises	**881,753**	**2,248,634**	**368,756**	**3,499,143**	3,294,738
Support costs and governance	**3,055,913**	**2,587,718**	**654,184**	**6,297,815**	5,463,778
Grants, awards and prizes	**-**	**110,738**	**-**	**110,738**	106,593
Total charitable expenditure	**17,693,270**	**7,767,986**	**1,022,940**	**26,484,196**	24,735,390
Total expended	**21,462,704**	**10,023,397**	**1,103,659**	**32,589,760**	30,119,152

7 (b) Governance included in support costs

	2024 £	2023 £
Remuneration paid to auditor	**40,500**	35,100
Reimbursement of personal expenses to Trustees	**1,754**	3,926
Other governance costs	**6,194**	5,491
	48,448	44,517

Of the Trustees 6 (2023: 6) received a total of £1,754 (2023: £3,926) in respect of repayment of travel and accommodation costs, reference books and attendance at training and conferences.

8 Intangible fixed assets – Group only

	Total Goodwill £
Cost	
At 1 September 2023 and 31 August 2024	**1,108,881**
Amortisation	
At 1 September 2023	665,328
Charge for the year	110,888
At 31 August 2024	**776,216**
Net book value	
At 31 August 2024	**332,665**
At 31 August 2023	443,553

Goodwill arose from the acquisition of the shares in Nursery Childcare Services (UK) Limited on 1 September 2018, which held two profitable nurseries which were transferred to another group entity.

Goodwill is amortised over the Trustees' estimate of its useful life of 10 years.

9 Negative goodwill – Group and Foundation

	Total Negative Goodwill £
Cost	
At 1 September 2023 and 31 August 2024	**(79,313)**
Amortisation	
At 1 September 2023	34,367
Credit for the year	15,863
At 31 August 2024	**50,230**
Net book value	
At 31 August 2024	**(29,083)**
At 31 August 2023	(44,946)

Negative goodwill arose from the Asset Purchase of Airthrie School LLP on 5 July 2021. These assets were included in the financial statements at fair value together with associated costs and are in respect of tangible fixed assets. The difference between the valuation and purchase price resulted in negative goodwill of £79,313. This sum is being credited back to incoming resources in the Statement of Financial Activities over a 5 year period on a straight line basis.

10 Tangible fixed assets - Group

	Freehold land and property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Total £
Cost					
At 1 September 2023	39,424,585	69,445	4,050,707	5,451,666	**48,996,403**
Additions	1,265,249	89,472	452,937	520,541	**2,328,199**
Disposals	-	-	-	(31,800)	**(31,800)**
At 31 August 2024	**40,689,834**	**158,917**	**4,503,644**	**5,940,407**	**51,292,802**
Depreciation					
At 1 September 2023	10,721,101	-	2,492,535	2,913,885	**16,127,521**
Charge for the year	368,755	-	330,962	403,942	**1,103,659**
Disposals	-	-	-	(31,800)	**(31,800)**
At 31 August 2024	**11,089,856**	**-**	**2,823,497**	**3,286,027**	**17,199,380**
Net book value					
At 31 August 2024	**29,599,978**	**158,917**	**1,680,147**	**2,654,380**	**34,093,422**
At 31 August 2023	28,703,484	69,445	1,558,172	2,537,781	32,868,882

The net book value of assets held under finance leases or hire purchase contracts included above within Plant and Equipment is £327,101 (2023: £349,956).

Tangible fixed assets – The Dean Close Foundation

	Freehold land and property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Total £
Cost					
At 1 September 2023	39,424,585	69,445	3,665,028	5,157,364	**48,316,422**
Additions	1,265,249	89,472	431,401	498,390	**2,284,512**
Disposals	-	-	-	(31,800)	**(31,800)**
At 31 August 2024	**40,689,834**	**158,917**	**4,096,429**	**5,623,954**	**50,569,134**
Depreciation					
At 1 September 2023	10,721,102	-	2,278,634	2,780,234	**15,779,970**
Charge for the year	368,754	-	280,604	373,582	**1,022,940**
Disposals	-	-	-	(31,800)	**(31,800)**
At 31 August 2024	**11,089,856**	**-**	**2,559,238**	**3,122,016**	**16,771,110**
Net book value					
At 31 August 2024	**29,599,978**	**158,917**	**1,537,191**	**2,501,938**	**33,798,024**
At 31 August 2023	28,703,483	69,445	1,386,394	2,377,130	32,536,452

The net book value of assets held under finance leases or hire purchase contracts included above within Plant and Equipment is £246,275 (2023: £257,584).

11(a) Investments

	Group 2024 £	Group 2023 £
At 1 September 2023	**3,296,063**	3,088,732
Incoming funds	**-**	251,998
Realised gains/(losses)	**12,044**	(35,123)
Unrealised gains/(losses)	**274,330**	(77,117)
Management fees	**(25,518)**	(22,593)
Dividends reinvested	**104,735**	90,166
At 31 August 2024	**3,661,654**	3,296,063

Details of the additions and disposals during the year are shown in the Cash Flow Statement.

These balances can be further analysed as follows:

	Group 2024 £	Foundation 2024 £	Group 2023 £	Foundation 2023 £
(a) Investment in subsidiaries		**1,408,613**	-	1,519,501
(b) Other Investments at market value:	**3,628,770**	**3,628,770**	3,209,439	3,209,439
(c) Investments held in cash	**32,884**	**32,884**	86,624	86,624
	3,661,654	**5,070,267**	3,296,063	4,815,564

11(b) Investments – Group

Investments held on non-UK stock markets totalled £762,758 (2023: £580,238). Within the investment portfolio, the Charity does not hold any specific investments which represent more than 5% of the overall investment portfolio (2023: 175,000 units of 0% Treasury T-Bills with a maturity date of 18 September 2023 and a market value of £174,573)

The market values of quoted investments held at 31 August 2024 are based upon stock market quoted prices at the year end date.

11(c) Investment income

	2024 £	2023 £
Dividends from managed funds	**102,191**	86,842
Interest on government stocks	**2,330**	439
Interest on cash deposits	**3,654**	4,839
Rental income on property	**33,500**	33,500
	141,675	125,620

12 Debtors

	Group 2024 £	Foundation 2024 £	Group 2023 £	Foundation 2023 £
Fees and extras (less provision for bad debts)	**927,852**	**916,480**	934,510	925,657
Other debtors	**322,999**	**227,714**	290,169	210,953
Prepayments and accrued income	**511,299**	**472,142**	567,347	526,145
	1,762,150	**1,616,336**	1,792,026	1,662,755

Fees and extras are stated after impairment provisions totalling £483,471 (2023: £401,244).

13 Creditors: amounts falling due within one year

	Group 2024 £	Foundation 2024 £	Group 2023 £	Foundation 2023 £
Bank loans (see note 14)	**1,247,000**	**1,247,000**	454,000	454,000
Other loan (see note 14)	**125,000**	**125,000**	125,000	125,000
Bank overdraft	**-**	**-**	1,616,851	1,616,851
Fees received in advance	**8,290,956**	**8,290,956**	3,924,028	3,924,028
Trade creditors	**221,348**	**201,212**	899,988	711,532
Amounts owed to subsidiaries	**-**	**791,200**	-	874,543
Taxation and social security	**382,942**	**382,942**	963,840	963,840
Other creditors	**369,637**	**330,590**	229,518	204,173
Accruals and deferred income	**767,100**	**616,301**	741,516	635,882
Obligations under finance lease and hire purchase contracts (see note 16)	**87,602**	**68,544**	75,171	57,041
Deposits held	**1,579,228**	**1,579,228**	1,592,800	1,592,800
	13,070,813	**13,632,973**	10,622,712	11,159,690
Composition fees (see note 15)	**1,841,073**	**1,841,073**	620,706	620,706
	14,911,886	**15,474,046**	11,243,418	11,780,396

14 Creditors: amounts falling due after more than one year

	Group 2024 £	Foundation 2024 £	Group 2023 £	Foundation 2023 £
Bank loans (see below)	**6,632,611**	**6,632,611**	7,228,780	7,228,780
Other loan (see below)	**1,400,000**	**1,400,000**	1,525,000	1,525,000
Obligations under finance lease and hire purchase contracts (see note 16)	**123,733**	**100,336**	188,114	145,660
Composition fees (note 15)	**2,831,561**	**2,831,561**	811,079	811,079
	10,987,905	**10,964,508**	9,752,973	9,710,519

The bank loans are repayable by instalments

	2024 £	2023 £
Over 5 years	**4,619,830**	5,004,830
Within 2 to 5 years	**1,155,000**	1,301,753
Within 1 to 2 years	**857,781**	922,197
	6,632,611	7,228,780
Within 1 year (see note 13)	**1,247,000**	454,000
	7,879,611	7,682,780

On 18 June 2021, formal repayment terms were agreed relating to an existing bank loan of £7,699,800. The maximum facility limit was £7.7m which was repayable in 60 instalments of £128,333.34 payable on 31 January, 30 April and 30 September of each year. The interest rate on the loan was 1.98% above Bank of England Base Rate. The loan was secured on certain freehold properties. On 31 August 2023, this loan was reviewed and continues on the same repayment terms as the pre-existing loan for a period of 17 years 11 months. The interest rate on the loan is 1.98% above Bank of England Base Rate and is subject to review in August 2025.

On 7 September 2021, a loan of £750,000 was agreed to finance the purchase of a property. The loan is repayable over a 3 year term commencing on 27 October 2021 in 35 monthly instalments of £3,819.42 (capital and interest) with the remaining balance due no later than 27 September 2024. The interest rate on the loan is 1.97% over the Bank of England Base Rate. The loan is secured on certain freehold properties.

On 3 February 2023, a loan of £285,000 was agreed to finance the updating and replacement of the ICT network and wi-fi. The loan is repayable over a 5 year term commencing on 3 March 2023 in 60 monthly instalments of £5,415.06 (capital and interest). The interest on the loan is 2.27% over the Bank of England Base Rate. This loan was fully repaid during the year.

On 31 August 2023, a loan of £850,000 was agreed which was drawn down on 13 September 2023 to finance the purchase of a property. The loan was repayable in full by one instalment on 13 September 2024. On 3 September 2024, the repayment date was extended to 13 March 2025. The interest rate on the loan is 1.75% over the Bank of England Base Rate. The loan is secured on certain freehold properties.

14 Creditors: amounts falling due after more than one year (continued)

The other loan is repayable by instalments

	2024 £	2023 £
Over 5 years	**900,000**	1,025,000
Within 2 to 5 years	**375,000**	375,000
Within 1 to 2 years	**125,000**	125,000
	1,400,000	1,525,000
Within 1 year (see note 13)	**125,000**	125,000
	1,525,000	1,650,000

The other loan is in respect of the Asset Purchase of Airthrie School LLP and is secured on certain freehold property. The loan is repayable over a 15 year term and annual repayments commenced on 5 July 2022. The interest rate is fixed at 1%.

15 Creditors: composition fees

Parents may pay the school tuition fees in advance. Assuming pupils will remain in the Charity's schools, the amounts due will be applied as follows:

	Group and Foundation 2024 £	Group and Foundation 2023 £
Greater than 5 years	**143,560**	-
Within 2 to 5 years	**1,058,877**	442,148
Within 1 to 2 years	**1,629,124**	368,931
	2,831,561	811,079
Within 1 year (see note 13)	**1,841,073**	620,706
	4,672,634	1,431,785

Discounts are given on composition fee accounts in accordance with the rate as set out in the individual signed agreements.

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

	£
Balance at 1 September 2023	1,431,785
New contracts	4,112,248
Refunds	(117,955)
Amounts utilised in payment of fees to the Charity	(777,651)
Discounts given	24,207
Balance at 31 August 2024	**4,672,634**

16 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2024 £	**Foundation 2024 £**	Group 2023 £	Foundation 2023 £
Within one year	**87,602**	**68,544**	75,171	57,041
Between 1 – 5 years	**123,733**	**100,336**	188,114	145,660
	211,335	**168,880**	263,285	202,701

The assets held under hire purchase are in respect of plant & equipment.

17 Financial instruments

	Group 2024 £	**Foundation 2024 £**	Group 2023 £	Foundation 2023 £
Financial assets measured at fair value	**3,661,654**	**3,661,654**	3,296,063	3,296,063

Financial assets held at fair value include assets held as investments.

18 Net assets of the funds of the Group and The Dean Close Foundation

The net assets held as at 31 August 2024 for the various funds are as follows:

	Goodwill on consolidation £	**Fixed assets and Investments £**	**Net current (liabilities)/ assets £**	**Long term liabilities £**	**Total £**
Endowed funds	-	471,634	-	-	**471,634**
Restricted funds	-	606,527	-	-	**606,527**
General funds	-	37,761,047	(9,489,691)	(10,964,508)	**17,306,848**
Foundation	-	38,839,208	(9,489,691)	(10,964,508)	**18,385,009**
Subsidiary and other funds	(945,947)	295,397	919,709	(23,397)	**245,762**
Consolidation adjustments	1,278,612	(1,408,612)	-	-	**(130,000)**
Group	332,665	37,725,993	(8,569,982)	(10,987,905)	**18,500,771**

18 Net assets of the funds of the Group and the Dean Close Foundation (continued)

Comparative 2023	Goodwill on consolidation	Fixed assets and Investments	Net current assets/ (liabilities)	Long term liabilities	Total
	£	£	£	£	£
Endowed funds	-	491,285	-	-	491,285
Restricted funds	-	530,617	-	-	530,617
General funds	-	36,285,168	(10,085,013)	(9,710,519)	16,489,636
Foundation	-	37,307,070	(10,085,013)	(9,710,519)	17,511,538
Subsidiary and other funds	(945,947)	332,429	901,735	(42,454)	245,763
Consolidation adjustments	1,389,500	(1,519,500)	-	-	(130,000)
Group	443,553	36,119,999	(9,183,278)	(9,752,973)	17,627,301

18(a) Endowed funds: Movements in the year (Group and Foundation)

	Balance at 1 September 2023	Incoming endowments	Amounts expended	Transfers	Balance at 31 August 2024
	£	£	£	£	£
Permanent endowments:					
Arts Council Grant	491,285	-	-	(19,651)	**471,634**

The grant received from the Arts Council in respect of the construction in 1997 of the new Music School amounted to £982,561. This is being amortised over the useful life of the Music School, with the amortisation charge of £19,651 for the year being transferred to unrestricted funds.

The grant is an endowment fund by virtue of its purpose being to provide Arts in the community by building the Music School and is subject to certain conditions being met.

Comparative 2023	Balance at 1 September 2022	Incoming endowments	Amounts expended	Transfers	Balance at 31 August 2023
	£	£	£	£	£
Permanent endowments:					
Arts Council Grant	510,936	-	-	(19,651)	491,285

18(b) Restricted funds: Movements in the year (Group and Foundation)

	Balance at 1 September 2023 £	Incoming resources £	Amounts expended £	Transfers and Investment Losses £	Balance at 31 August 2024 £
Prize, Bursary and other funds	517,713	198,452	(155,939)	38,737	**598,963**
Private Family Charitable Trust	12,904	-	(5,340)	-	**7,564**
	530,617	198,452	(161,279)	38,737	**606,527**

Prize, Bursary and other funds consist of a number of individual bequests received from individual donors and are utilised in accordance with donors' wishes.

Comparative Funds 2023	Balance at 1 September 2022 £	Incoming resources £	Amounts expended £	Transfers and Investment Gains £	Balance at 31 August 2023 £
Prize, Bursary and other funds	364,093	318,168	(149,797)	(14,751)	517,713
Quad Redevelopment	121	-	-	(121)	-
Private Family Charitable Trust	12,904	-	-	-	12,904
	377,118	318,168	(149,797)	(14,872)	530,617

18(c) Unrestricted funds: Movements in the year

	Balance at 1 September 2023 £	Incoming resources £	Amounts expended £	Transfers and Investment gains £	Balance at 31 August 2024 £
General fund	16,605,399	32,978,424	(32,428,481)	267,268	**17,422,610**

The General fund includes £17,306,848 (2023: £16,489,636) net assets in respect of funds held by the Foundation. On consolidation, amortisation of goodwill totalling £110,888 was added to the amounts expended which is included in the figure above. Transfers and Investment gains within the General fund include £19,651 transferred from endowed funds. Further details of the transfers are included in notes 18a and 18b.

Comparative 2023	Balance at 1 September 2022 £	Incoming resources £	Amounts Expended £	Transfers and Investment losses £	Balance at 31 August 2023 £
General fund	16,672,133	29,980,338	(29,969,355)	(77,717)	16,605,399

19 Capital commitments

The Group and Foundation had no capital commitments at 31 August 2024 (2023: £Nil).

20 Operating lease commitments

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

	Group 2024 £	Foundation 2024 £	Group 2023 £	Foundation 2023 £
Expiring within 1 year	**425,689**	**425,689**	444,009	444,009
Expiring within 1 to 5 years	**1,012,258**	**1,012,258**	1,166,043	1,166,043
Expiring greater than 5 years	**868,800**	**868,800**	1,196,809	1,196,809

21 Pension Schemes

The Charity participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,551,237 (2023: £1,399,026) and at the year-end £166,565 (2023: £159,475) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation has valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The Charity also operates one workplace pension scheme (2023: one) on a defined contribution basis. Employer contributions for the year amounted to £349,424 (2023: £286,861), and at the year-end £85,302 (2023: £65,829) was accrued in respect of contributions to this scheme.

22 Post balance sheet events

There are no post balance sheet events to report.

23 Related party transactions

In accordance with CC29 – Conflicts of interest: A guide for charity Trustees, certain transactions between Trustees and the Charity are disclosable.

There were no disclosable transactions during the year (2023: none). No donations were received from Trustees during the year (2023: £12,500 from 1 Trustee).

Apart from the aforementioned items, there were no related party transactions in the year or prior year, with the exception of those Trustees and key management who have children attending the Charity's schools. School fees incurred by Trustees are paid on a commercial arms' length basis, whilst key management can benefit from a staff concession that can be available to all eligible members of staff who have children attending the Foundation.

See note 3(a) and 3(b) for details of the transactions which took place between the Charity and its wholly owned subsidiaries, Dean Close Services Limited and Dean Close Nurseries Limited in the year and any amounts outstanding at the year end.

The Ministry of Defence provides some funding each year for the purposes of the Dean Close Combined Cadet Force (CCF). A separate CCF bank account is held by the Charity. The CCF bank account balance as at 31 August 2024 was £370 (2023: £9,739).

24 Analysis of changes in net debt (Group)

	Balance at 1 September 2023 £	Cash flows £	Other non-cash changes £	Balance at 31 August 2024 £
Cash and cash equivalents				
Cash	67,778	4,315,652	-	**4,383,430**
Overdraft	(1,616,851)	1,616,851	-	**-**
	(1,549,073)	5,932,503	-	**4,383,430**
Due within one year				
Bank and other loans	(579,000)	275,584	(1,068,584)	**(1,372,000)**
Hire purchase obligations	(75,171)	(81,420)	68,989	**(87,602)**
Due greater than one year				
Bank and other loans	(8,753,780)	203,753	517,416	**(8,032,611)**
Hire purchase obligations	(188,114)	-	64,381	**(123,733)**
Total	(11,145,138)	6,330,420	(417,798)	**5,232,516**

THE DEAN CLOSE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2024 (Incorporating a consolidated Income and Expenditure account)

25 Consolidated Statement of Financial Activities – Comparative figures by fund

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowed funds 2023 £	Total 2023 £
Income from:					
Charitable activities					
School fees receivable	2	23,528,970	-	-	23,528,970
Ancillary trading income	4	571,910	-	-	571,910
Other trading activities					
Non-ancillary trading income	3	5,763,352	-	-	5,763,352
Investments					
Investment income	11(c)	81,623	43,997	-	125,620
Bank and other interest		34,446	-	-	34,446
Voluntary sources					
Grants and donations		37	274,171	-	274,208
Total incoming resources		29,980,338	318,168	-	30,298,506
Expenditure on:					
Raising funds					
Non-ancillary trading	3	4,634,733	-	-	4,634,733
Financing costs		614,385	-	-	614,385
Investment management		19,949	2,644	-	22,593
Fundraising and development		112,051	-	-	112,051
Total deductible costs	7	5,381,118	2,644	-	5,383,762
Charitable activities					
Education and grant making		24,588,237	147,153	-	24,735,390
Total expenditure	7	29,969,355	149,797	-	30,119,152
Net incoming funds from operations before transfers and investment losses		10,983	168,371	-	179,354
Losses on investments		(97,368)	(14,872)	-	(112,240)
Transfers between funds		19,651	-	(19,651)	-
Net movement in funds		(66,734)	153,499	(19,651)	67,114
Fund balances at 1 September 2022		16,672,133	377,118	510,936	17,560,187
Fund balances at 31 August 2023	18	16,605,399	530,617	491,285	17,627,301

THE DEAN CLOSE FOUNDATION

England & Wales - Charity number 1086829

Accounts

Registered Charity Number: 1086829
Registered Company Number: 04193948

THE DEAN CLOSE FOUNDATION

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

THE DEAN CLOSE FOUNDATION

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THE DEAN CLOSE FOUNDATION

TRUSTEES, OFFICERS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023

The Directors of the Company, who are referred to throughout these financial statements as the Trustees, are listed below, along with the Members of the Company and the main sub-committee.

President
The Lord Ribeiro

Council of Members
The Rev'd M Allen, BA
The Rev'd S Austen BSc, MA, Dip.Min (retired 8 June 2023)
Mrs J Bee, BSc (appointed 5 October 2022)
Mrs V Beevers (appointed 22 December 2022)
Mrs S Bennett, BA (appointed 23 June 2023)
M Bowen
H Bradby BA, MA
S Bullingham MSc, BSc
R Byrd, FCA, FCCA
Brig. M T Cansdale, MBE, BA (appointed 18 May 2023)
Mrs K A Carden BA, MPhil
M J Cartwright, BA, FCA (retired 21 January 2023)
The Rev'd J Chaffey, MA, BA
*Mrs E Clark (appointed 8 May 2023)
*Mrs S Clayton
The Rev'd R M Coombs, BSc, MA
Mrs H S L Daltry, BA
*Mrs N C Davies, BA (appointed 22 December 2022)
B Davies OBE
Mrs R Dick, BA, ACA (retired 24 March 2023)
*Mrs C Dowler
C S S Drew, MA
J Drew, Meng (retired 21 January 2023)
I A Duffin, BCom, FCA
Mrs R Eden
Mrs C Fletcher MA
S Foster BA
L C Glaser MA, ACA (appointed 23 June 2023)
J Hall
B Harding, MBA
P Harvey, MA
Mrs T Haynes, BSc (Hons)
*R Hilldick-Smith, MEng, CEng, IMechE
Mrs A Hillman, BA
Mrs S L Hirst, BEd
S W Holliday, MA
*M A Hughes BSc (appointed 21 January 2023)
A J Hunt
A Judge
Miss R A Keens BEd
I Kilpatrick, BA Med (appointed 5 October 2022)
*Mrs F Knight BA
R Lewis, BSc
AVM (Ret'd) R Lock, CBE, BSc
The Rev'd R Mackay
D Main, FCA, FCCA
Mrs A Marsden, BSc MA
G McDonald, B.Comm B. Acc
*J Moos, Mcomp (Hons) CCP MCIS
*Mrs C Morris (appointed 22 December 2022)
*D Mullins, BSc, FCA

TRUSTEES, OFFICERS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Council of Members (continued)
Mrs P G Napier
B Nicholas, MA
*Mrs C J Pack, MRICS
The Revd. H Palmer BA
*M Philip-Sorensen
Mrs K Pinsent (retired 20 September 2022)
Dr A Porter
*Lord Ribeiro, kt, CBE, FRCS, FRCSEd
Mrs K Riding, LLB
*D Ritchie BA (appointed 5 October 2022)
Dr C Roberts, BA, BM BCh, FRCA
F J Shaw, MA, MSc, CEng, CSci
P Silvester, ACIB, BA
M Smith MA, MBA, ACIB (appointed 23 June 2023)
M P Smith, MA
*T Spencer
Mrs C Stallard, BA (appointed 5 October 2022)
Mrs B Sullivan (appointed 5 October 2022)
*Lt. Col E T Taylor, BA, RA
S Thomas, BA, LLM
S Thomas, BA, LLB
*A J Thompson (appointed 21 December 2022)
*J Townsend, MA
*T Widdowson (appointed 21 December 2022)
The Rev'd Canon Dr P R Williams, CStJ, DL
Rt Rev'd Paul Williams

Board of Trustees
The Rev'd M Allen, BA (appointed 21 January 2023)
S Bullingham, MSc, BSc
Mrs K A Carden, BA., MPhil., (Chairman)
The Rev'd R M Coombs, BSc, MA
Mrs H S L Daltry, BA
C S S Drew, MA
L Glaser (appointed 23 June 2023)
Mrs S L Hirst, BEd (retired 30 June 2023)
S W Holliday, MA
*M A Hughes (appointed 21 January 2023)
*Mrs F Knight BA (appointed 21 January 2023)
AVM (Ret'd) R Lock, CBE, BSc (appointed 5 October 2022)
G McDonald, B.Comm B. Acc
M Smith (appointed 23 June 2023)
M P Smith, MA
*Lt. Col E T Taylor, BA, RA

Finance & General Purposes Committee
S Bullingham, MSc, BSc
Mrs K A Carden, MPhil, BA
Mrs H S L Daltry, BA
*M A Hughes (appointed 21 January 2023)
G McDonald, B.Comm B. Acc
M P Smith, MA
M Smith (appointed 23 June 2023)

* Old Decanian

THE DEAN CLOSE FOUNDATION

TRUSTEES, OFFICERS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Status and Administration

The Dean Close Foundation (referred to as the Charity or the Foundation throughout these financial statements) is a registered charitable company that incorporates the charitable institution originally founded in 1886. Its charity number is 1086829, its company number is 04193948, and its Articles of Association were adopted on 4th April 2001 and most recently amended on 28 May 2021. The liability of the Members is limited by guarantee.

Clerk to the Trustees	A P Bowcher MBA, FCIB, DipFS
Treasurer	M P Smith, MA
Company Secretary	M A Madeley
Registered Office and Principal Address	Shelburne Road Cheltenham Gloucestershire, GL51 6HE
Banker	HSBC Bank plc 2 The Promenade Cheltenham Gloucestershire, GL50 1LR
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol, BS1 4QA Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire, GL50 1YD
Independent Auditor	Crowe U.K. LLP 4th Floor St James House St James Square Cheltenham Gloucestershire, GL50 3PR
Insurer	Zurich Insurance plc The Zurich Centre 3000 Parkway Whiteley Fareham Hampshire, PO15 7JZ Policy No. KSC-252038-7703 (includes Employers' Liability and Public Liability)
Investment Manager	Rathbone Investment Management 1 Curzon Street London, W1J 5FB

THE DEAN CLOSE FOUNDATION

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees of The Dean Close Foundation present their Annual Report for the year ended 31st August 20223 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

DIRECTORS' REPORT

COUNCIL AND CHARITY TRUSTEES

Organisation

The Members of the Company, known as the Council, (details as disclosed on pages 1 and 2) are responsible for the election of the Directors, who are referred to throughout this report as the Trustees. The Members also receive the Annual Report and Accounts at the AGM each year. The Foundation's constitution provides for up to fifteen Trustees, drawn from the Council, who retire by rotation after four years and are eligible to serve up to a maximum of three terms of four years.

The Trustees determine the Charity's strategic direction and monitor its operational performance closely, providing the Warden, Chief Finance and Operations Officer, Heads and Senior Leadership Teams with direction, leadership and support as appropriate. The Board meets four times each year. The work of overseeing the implementation of Board policies and decisions is carried out in large part by the Finance and General Purposes Committee (F&GPC) which meets at least six times per year. Specifically, the F&GPC scrutinises all budgets, management and statutory accounts, business plans and major capital proposals, before these are submitted to the Board for approval.

Following the annual review of Governance, it was agreed to retain the existing committee structure.

The F&GPC as detailed above with the other principal Board committees are:

- the Foundation Estates Planning Committee, which meets at least every 2 months to discuss the longer-term strategy for the estate and management of larger capital projects.
- the Curriculum Development Committee, meets termly, and offers strategic guidance on future academic developments within the Foundation and across the schools.
- the Remuneration Committee, which sets the salary and emoluments for the Warden, Chief Finance and Operations Officer, Heads and Senior Leadership Teams meets twice a year.
- the Nominations Committee, which is responsible for succession planning for both the Council of Members and Board of Trustees meets termly.
- the Health and Safety Committee, which meets termly with Board representation.
- the Safeguarding Committee, which meets at least termly with Board representation.
- the Concessions Working Party, which meets at least twice each year to scrutinise policies and resourcing of scholarship and bursary awards and other concessions.
- the Development Board, which meets termly with Board representation, and is responsible for oversight of fund-raising and other development plans.

The day-to-day leadership and management of the Foundation is delegated to the following:

Warden/CEO	Mrs E L C Taylor
Head, Dean Close School	Mr B Salisbury
Head, Dean Close Preparatory School	Mr P Moss
Head, Dean Close Pre-Preparatory School	Dr C A Shelley (retired 31 August 2023) Mr J Cowling (appointed 1 September 2023)
Head, Dean Close St John's School	Mr N Thrower
Head, Dean Close Airthrie School	Mr J Dobbie
Chief Finance and Operations Officer	Mr A P Bowcher

Charity Governance Code

The Trustees have taken note of the seven principles set out within the Code and recommended practice. Whilst the Charity has not as yet formally adopted the Code, Trustees apply the Code's recommended practices and more detailed information as to how this has been done is included within this Annual Report.

Stakeholder Engagement and Section 172 (1) Statement

The Trustees, as Directors, must act in accordance with a set of general duties. These duties are detailed in section 172 (1) of the Companies Act 2006 which is summarised as follows:

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the Company.'

The Trustees consider that they have fulfilled their duties in accordance with section 172(1) of the Companies Act 2006 and have acted in a way in which is most likely to promote the success of the Foundation for the benefit of its stakeholders as a whole in the following ways:

Pupils

All pupils benefit from the Foundation schools' focus on individual development and on the aim of nurturing each child's strengths and talents within a caring and secure family environment. Pupils are actively encouraged to offer comments and suggestions on the operation of the Foundation through School Councils and a range of other consultative opportunities, and these are considered in decisions made by the Senior Leadership Teams.

Pastoral care is considered particularly important across the Dean Close schools, and additional investment in health care, including mental health care, and in matron support in the boarding houses has added to the range of adults to whom pupils can go for support. In keeping with Dean Close's Christian foundation, investment has also taken place in the chaplaincy team, to support the spiritual and character development of pupils.

Employees

The Foundation recognises that the qualities and skills of its employees and the commitment of its staff play a major role in its success. Weekly briefings keep staff informed of school wide matters of interest and there are many opportunities for staff training and development. In addition, termly Inset offers opportunities for staff to engage with the wider Foundation strategy and direction and to receive updates from the Warden, Chief Finance and Operations Officer, and Trustees. This year saw the launch of a new intranet system for internal communications, and the introduction of Paycare, a cash health plan for all staff. Staff have many opportunities to offer ideas, raise concerns and comment on the activity of the Foundation through surveys, cluster groups and Common Room representatives. Emphasis this year has been placed on helping to restore staff well-being and resilience post-pandemic, and two new training programmes have been introduced, the 'Healthy Workplace' training plan for all staff, and the 'Healthy Leadership' training plan for middle and senior leaders, both designed to enhance the skills of staff and to support healthy and sustainable working practices.

Stakeholder Engagement and Section 172 (1) Statement (continued)

Parents

The Foundation continues to ensure that it is in regular communication and engages with its parent body, and a weekly summary of news and events is emailed to them from each school. Opportunities for parents to attend fixtures, concerts, drama productions and chapel events continued during this year, and the full range of Speech Day and prize-giving events took place in the Trinity Term 2023. The Foundation also carried out several parental surveys to measure parental satisfaction and to identify areas for celebration and for improvement in the schools' provision. These plans were communicated back to parents by the Heads.

Community

The Foundation is proud of its place within the local and wider community and endeavours to offer support and collaboration where possible by making available many of its facilities at below commercial rates. It also invites local schools to participate in specific sports and other events and to share various facilities. Dean Close School is a founding member of the Cheltenham Education Partnership, which includes 11 secondary schools in Cheltenham, with the aim of improving outcomes for all young people of secondary age in the area. The School is also a founding member of the Independent Schools' Christian Alliance, working with other schools across the country who share a similar ethos, and has partnerships with schools in Uganda and Chengdu, China, with the aim of improving pupil outcomes both for Dean Close pupils and those of the partner schools.

Recruitment and Remuneration of Senior Management

Remuneration of senior employees is set by the Remuneration Committee, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the Foundation's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the Foundation remains sensitive to the broader issues of pay and employment conditions elsewhere. The Foundation aims to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the Foundation's charitable vision and purpose is primarily dependent on its key management personnel and staff costs are the largest element of expenditure.

Recruitment and Training of Trustees

The Nominations Committee makes recommendations for the appointment of Members and Trustees. Candidates are selected with regard to their availability, eligibility, commitment, specialist skills and Christian standing, and are appointed at a General Meeting of the Members. All new Members receive an induction pack of relevant documents outlining their responsibilities and attend an induction workshop conducted by the Chairman, Warden and Chief Finance and Operations Officer, at which the Foundation's organisation and policy are discussed and the responsibilities and duties of Members and Trustees are fully explained. New Trustees also receive induction training provided by either the Foundation's solicitors or an independent external body. Following a rigorous review as specified in the Charity Governance Code, the Board of Trustees have agreed by Special Resolution to extend the term of the current Chairman beyond 9 years to 2026.

Trustees attend a range of external training days on a schedule kept by the Chief Finance and Operations Officer. Additionally, Trustees receive briefings from the Chief Finance and Operations Officer and one Board meeting per year is primarily devoted to training on governance issues and matters of current concern. Increasingly online training is undertaken.

Legal Structure of the Foundation and Definition

The Charity has two wholly-owned non-charitable subsidiaries, Dean Close Services Limited (DCSL) and Dean Close Nurseries Limited (DCNL). The results of the subsidiaries are included in Note 3 of the Financial Statements. The annual profits of both subsidiaries are donated to the Foundation under the Gift Aid Scheme. The trading activities of the subsidiaries comprise letting of the Foundation facilities when not in use by the Foundation, the provision of courses, revenue from the Foundation shops and the operation of day nurseries. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report. When this report refers to 'Group', it means the combined finances of the Charity (The Dean Close Foundation) and its two subsidiaries, DCSL and DCNL.

OBJECTS, AIMS AND OBJECTIVES

When reviewing the aims and objectives of the Foundation and in planning its future activities the Trustees consider its charitable objectives and Strategic Plan.

Charitable Objects

The Charity's Objects, as set out in its Articles, are the advancement of education, including the provision of schooling for children based firmly upon Christian evangelical principles and the provision of assistance with the resources available to the Foundation for the education of children with parents of limited resources. The Charity also has various restricted reserves enabling it to award modest scholarships, bursaries and prizes, as well as a few un-endowed trust funds held for special purposes in connection with the development of the Foundation's facilities.

Mission statement

The Charity's mission is to provide the necessary education and appropriate training to enable children and young people to flourish and to achieve their potential as individuals, and thereby to ensure that as adults they will be confident and successful members of society and effective contributors to it.

Intended impact

Within its charitable objects, the Charity's intention is to provide first class childcare in its nurseries and a first-class education through strong academic tuition and by developing broader skills that enable every pupil to realise his or her potential to the full. This involves emphasis on co-curricular activities through academic, sporting, artistic, team building and social skills, as well as encouraging spiritual awareness and self-reflection. This approach builds self-confidence and life skills in the Foundation's pupils and inculcates a desire to learn and a willingness to contribute to the wider community whilst at school and in later life. The Charity believes that the true impact of education can only be measured over the long term in the contribution alumni make to their communities. It endeavours to measure this impact by staying in close contact with alumni, conducting regular surveys of their activities and contributions to society.

Aims

The aim of the Charity is to provide high-quality education and care for day and boarding pupils from Nursery (age approximately 6 months) to Upper Sixth level (18/19 years). During the year under review, this was carried out by 6 nurseries and 5 schools operating in Cheltenham, Gloucester, Chepstow and Newport. The nurseries and schools are overseen jointly by the Trustees, through the Warden and Chief Finance and Operations Officer.

Most of the children from Dean Close Preparatory School enter the Senior School and the vast majority of those leaving the School after A Levels have historically sought entry to universities and other higher education establishments. Pupils from Dean Close St John's School (at 13) and Dean Close Airthrie School (at 11) enter a variety of different senior schools, including Dean Close School. In addition to the academic life of the Schools, pupils' co-curricular activities include an extensive range of musical, dramatic and artistic activities as well as sports training, with many teams achieving success at county and national level. The needs of the wider community are addressed through an imaginative and wide-ranging Community Action and Partnerships programme and the Foundation makes many of its facilities available to the community and to local charities at reduced rates.

Christianity is at the heart of the Charity both in its aim and values and in practice, in regular formal services and voluntary Christian Union groups, bible study classes and an active Chaplaincy. The Foundation's educational policy is built upon its Christian principles and Trustees aim to ensure that pupils of all faiths and none are encouraged to consider their own response to questions of faith based upon a clear understanding of the Christian message. The Charity has defined its aim and values, based on the principles of biblical Christianity, and these are embedded in every aspect of its activities. The overarching aim is Flourishing, and the three key values are Courage, Love and Contribution.

The Charity aims to maintain a warm family atmosphere and a very high standard of pastoral care for all members of its community.

Objectives

- To make excellent provision for teaching and learning, ensuring that the curriculum is giving an outstanding preparation for life after school.
- To continue to improve the quality of the Foundation's facilities.
- To recruit, retain and develop excellent staff, both teaching and non-teaching.
- To maintain a broad and appropriate range and variety of co-curricular activities for all children and young people and to promote and develop sporting, musical, dramatic and artistic achievement, and spiritual awareness, across the Foundation.
- To sustain pupil recruitment in the face of ongoing difficult economic circumstances and to continue to widen access to Dean Close by the provision of means-tested assistance both for new applicants and in hardship cases affecting existing pupils.
- To develop further the Charity's commitment to partnerships, locally, nationally and internationally.

Strategies to achieve the Objectives

- Recruitment, induction, appraisal, mentoring and training of staff to ensure they are providing the very best quality of experience for children and young people, inside and outside the classroom.
- Constant review and innovation within the curriculum and co-curriculum, ensuring the needs of children and young people are met with a keen eye on the future requirements of universities, employment and wider society.
- Employment of highly qualified, specialist staff to maintain standards of sport, music, and drama.
- Continued investment in Foundation facilities through ongoing maintenance and through selected refurbishment and enhancement of facilities, particularly in boarding.
- Fundraising to support three key areas of development: campus, community and curriculum.

The aims and objectives set for the Charity's subsidiaries are to donate profits to facilitate the achievement of the Charity's aims and objectives as above.

EMPLOYEE INFORMATION

Online resources via a policy portal are in place for members of the teaching and support staff; a number of important measures, including the development of a universal appraisal system, have been introduced for members of the Charity's support staff. Considerable time and effort is expended in ensuring that all members of staff are kept fully informed about new developments and in addressing questions and any concerns.

A significant amount of staff time is devoted to ensuring that the Charity's policies are fully compliant with current legislation and best practice. The Charity seeks to work with all employees, taking into account their personal circumstances, to ensure that appropriate training, development and advancement opportunities are available to enable them to reach their full potential. The Charity is committed to a policy of equal opportunity in employment. The aim of the policy is to ensure that:

- selection criteria and procedures are in place to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.
- no job applicant or employee receives less favourable treatment on the grounds of their gender, gender reassignment, marriage or civil partnership, pregnancy and maternity, sexual orientation, disability, race, colour, ethnic background, nationality, religion or belief or age.
- no employee suffers harassment or intimidation.

DISABLED PERSONS

The Charity will employ disabled persons when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are the Directors of The Dean Close Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

STRATEGIC REPORT

Principal risks and other matters of strategic importance

The Board of Trustees is responsible for the management of the strategic risks faced by the Charity. Detailed consideration of risks is delegated to the Finance and General Purposes Committee, assisted by the Warden and Chief Finance and Operations Officer. Risks are identified and assessed and controls are implemented and monitored regularly. The Charity's Risk Model is reviewed and updated on a termly basis by the Warden and Chief Finance and Operations Officer with Trustee input and overview and then presented to the Finance and General Purposes Committee for approval.

The key risk controls used by the Charity include:

- maintenance of a comprehensive Risk Register.
- formal agendas and minutes for all Committee and Board meetings.
- detailed Terms of Reference for all Committees, which are regularly reviewed.
- comprehensive strategic planning, budgeting and management accounting procedures.
- a well-established organisational structure and clear lines of reporting.
- a comprehensive range of formal, written policies.
- clear authorisation and approval levels.
- vetting procedures as required by law.

Through its risk management processes, the Board has concluded that the major risks currently confronting the Charity are:

- the generation of insufficient surplus to fund the objectives of the Strategic Plan.
- a downturn in the demand for independent education driven by economic conditions both nationally and internationally, and current parental affordability concerns.
- increased cost caused by changes in Government policy.

The Board is satisfied that all major risks identified have been adequately mitigated where necessary and possible. It is recognised that such systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. The diversification of income streams that Dean Close Nurseries Limited and Dean Close Services Limited bring to the Group will continue to reduce risk in the longer term.

Results for the year

Total full-time equivalent pupil numbers across all Dean Close schools for the year were 1,131 and on a like-for-like basis were very similar to those of the previous year.

The consolidated surplus for the year before financing costs, investment losses, depreciation and amortisation of goodwill was £1.88m (2022 £1.76m). This was ahead of budget and included a positive variance in net fee income and overall savings against the total expenditure budget. Total incoming resources increased by £2.2m (8%) with all main sources of income higher than the previous year. The increase was mainly derived from an increase in net fee income from the schools together with an increase in income from the trading subsidiaries, particularly Dean Close Nurseries Limited which performed exceptionally well. With the additional benefit of an increase in donations alongside the core charitable and trading activities, the diversity of the Foundation's income stream is one of the key elements to reducing risk within the business model.

Total expenditure increased by £1.9m (6.7%) and was below budget. The careful control and monitoring of the cost base enabled the cost of the spike in energy prices to be absorbed within the overall expenditure budget and also helped to preserve an element of the contingency budget. Energy costs are now managed and partly hedged with futures contracts which will result in savings compared with energy costs this financial year.

Capital investment during the year totalled £2m. This included completion works for the refurbishment of the swimming pool on the Cheltenham site, upgrade and refurbishment works to two boarding houses, investment in plant and equipment across all sites and investment in the ICT network including a Core Switch upgrade.

There has been little movement within the Balance Sheet compared to the previous year. Rigorous debt management together with the monitoring and control of cash flow remain key areas of focus. Debtor and bad debt ratios have improved each of the last 5 years.

The Trustees are satisfied with the overall financial position.

Review of achievement and performance for the year

The schools within the charity achieved strong pupil numbers, including increasing numbers of international pupils, as confidence returned to these markets after Covid.

The Foundation continued to invest in IT infrastructure to make further progress on the business and educational innovation resulting from the pandemic. A great deal of IT infrastructure was replaced and enhanced. Cyber security and safety of Personal Data being a particular area of attention and investment currently.

Infrastructure and facilities improvements continued, including investment in the boarding houses at Dean Close Preparatory School and significant improvements to the school swimming pool. The Art Department at DCS was equipped with a suite of high-spec computers to support the A level Photography and Art courses.

At Dean Close School, those taking public examinations performed well, achieving 63% A*-B grades at A level and 54% 9-7 at GCSE. 90% of the leavers were accepted at either their first or second choice university. Dean Close sports teams performed well across the year, with the Girls U16 hockey team becoming National Indoor Champions and the U18 netball team having an undefeated season. The tennis team reached the LTA semi-finals.

A variety of drama productions took place during the year, including senior productions of 'Our Country's Good' and 'Lord of the Flies'. At DCPS the Junior Forms production of 'Wind in the Willows' featured every pupil in Years 3-5. The annual 'Three Schools Dance Show' at the Bacon Theatre was a great success.

Senior pupils took part in the first Music tour for several years, with 36 pupils travelling to Italy to perform a series of choral and instrumental concerts. Memorable concerts included a performance of Mozart's Mass in C at the Pittville Pump Rooms.

Review of achievement and performance for the year (continued)

A group of pupils travelled to Nyaktukura Memorial Secondary School in Ibanda, having raised funds to support the school, with which Dean Close has had a 20-year partnership.

The 'Foundation Stones' values continued to be embedded across all the Schools and nurseries during the year, with reward systems to promote the Aim and Values of Flourishing, Courage, Love and Contribution, as well as assemblies, PSHCE lessons and tutorials focusing on their development.

Dean Close won national recognition for the experience offered to international pupils, and introduced a new offering for those unable to travel home for Exeats, with cultural/outdoor education trips to Bath, Stratford and the Forest of Dean. International week provided a focus on celebrating the variety of languages, cultures and perspectives across the school's pupil body.

The Charity's partnership work continued and was strengthened during the year, particularly in the Cheltenham Education Partnership work with other secondary schools in Cheltenham. Staff and pupils took part in a number of collaborative activities throughout the year.

In June 2023 Dean Close Airthrie School was inspected by the Independent Schools Inspectorate. The school was judged to be compliant against the Independent Schools Standards. The quality of pupils' academic and other achievements was judged to be Good, and their personal development was judged to be Excellent. It was particularly pleasing to have recognition of the pupils' maturity and their social skills: 'Pupils are highly socially aware, adept at collaboration and are confident to share ideas'. Also in June 2023, ISI inspectors visited Dean Close St John's for a Compliance Inspection, and found the school satisfied all the Independent Schools Standards and the National Minimum Standards for Boarding.

Energy and emissions report

With a new Estate Compliance Strategy in place, the Foundation is working on ways to reduce emission and waste across all of the estate.

During the year the Foundation took the following energy efficiency actions:

- Continued to roll out LED conversions and replacements across all sites
- Improved insulation across all sites
- Replaced boilers which are prioritised based on efficiency, waste and emissions
- Further research into EV's, solar, photovoltaic and composting technologies
- Ensuring sustainability is at the forefront of each capital investment decision made across the Foundation

The Foundation has also appointed an energy reduction company who have recently completed an ESOS survey. The results and recommendations are being scrutinised to ascertain where the Foundation can reduce its footprint as quickly as possible.

A summary of key data is as follows:

	2023	2022
UK energy use (kWh)	**9,306,088**	8,473,380
Associated Greenhouse gas emissions (Tonnes CO2 equivalent)	**1,703**	1,576
Intensity ratio (Emissions per FTE)	**3.8**	3.4

UK energy use covers the use of natural gas for heating and cooking and electricity for heating and lighting across all entities of the Dean Close Foundation. Associated greenhouse gases have been calculated using the Gov.uk 2023 conversion tables using 0.18256 per kWh for natural gas and 0.207074 per kWh of electricity in each reporting year.

Grant-making policy

Trustees are committed to broadening access to Dean Close schools by offering means-tested bursaries based on an assessment of financial need to pupils whose parents/guardians are unable to pay the full fees.

This year, the value of means-tested bursaries, clergy and Armed Services awards and other concessionary fees was £3.2m (2022: £3.1m), with a further £1.2m (2022: £1.3m) awarded in the form of scholarships and exhibitions. The Foundation's policy is to widen access to Dean Close to all sectors of the community by providing means-tested assistance with up to 100% of school fees for deserving children and to relieve hardship where an existing pupil's education and future prospects may otherwise be at risk. Fundraising continues to provide major awards, known as Foundation Awards and the school is extremely grateful to and thanks donors for their support.

Scholarships were made available to entrants aged 11, 13 and 16 for outstanding ability in academic work, music, art, sport and drama. Such awards are limited to a maximum of 20% of the school fees for any individual. Minor awards were also extended to a small number of children entering the Preparatory School at age 7.

Fundraising performance

Donations, gifts and legacies totalled £274,208 in the year (2022: £198,434) and these were almost exclusively credited to restricted funds. Further details concerning restricted donations are included in Note 18b to the Financial Statements. The majority of the donations have been for Foundation Awards (transformational bursaries). The Trustees wish to record their thanks for the many kind and generous donations received throughout the year, without which this and other initiatives would have either been delayed or not been possible.

Fundraising is overseen by the Development Committee which is chaired by a Trustee and includes other Trustees. The Development department carries out day to day fundraising tasks assisted by an external Consultant. Particular attention continues to be given to the management of data and the protection of vulnerable people. The Foundation has had no complaints about its fundraising activities this year.

Investment powers, policy and performance

The Trustees' powers for the investment of its corporate funds are set out in the Articles of Association and are, subject to statutory requirements, broadly equivalent to those of an individual beneficial owner. For the investment of the trust funds that it administers, the Foundation is subject to the Trustee Act 2000.

The Trustees' policy is to obtain a return of capital gain and reinvested dividends on the invested funds at a suitable benchmark, thereby enhancing the Foundation's ability to provide scholarships, bursaries and prizes in future years and preserving the capital value of the underlying investments.

The Charity's investment portfolios are managed on a discretionary basis under an agreed set of investment parameters that are stated in the Foundation's Investment Policy. Portfolio performance is reported termly against an agreed benchmark and the Foundation's Investment Manager provides six-monthly briefings to the Finance and General Purpose Committee which include detailed analysis of the portfolio's performance, overviews of market conditions and his strategic approach to obtaining an optimal return on the Charity's investments.

At the year end the Group's long term investments totalled £3.3m (2022: £3.1m). The increase in value includes incoming donations of £0.25m which were invested during the year. Investment losses during the year represented 3% of the portfolio value which reflected another difficult and challenging year for world stock markets.

Reserves level and policy

The Charity's policy is to invest in premises and equipment to support the business and education requirements of the Charity, while ensuring adequate financing of day-to-day operational needs and the maintenance of adequate reserves to meet any contingencies as they arise. Therefore, retained surpluses are not held as free reserves, but are normally utilised for improvements to the Charity's facilities. This policy is supported by external financing as and when necessary which is allocated to specific capital projects.

The Group's total reserves of £17.63m (2022: £17.56m) at the year end included £0.49m (2022: £0.51m) endowment capital, £0.53m (2022: £0.38m) unspent restricted funds and £16.6m (2022: £16.67m) unrestricted funds. £24.8m (2022: £24.59m) of this represented the net book value of fixed assets less associated long term funding arrangements, leaving negative free reserves of £8.2m (2022: negative £7.9m) at the year end.

Resources

The Charity has at its disposal restricted and unrestricted funds which are invested by Rathbone Investment Management in a broad portfolio of bonds, equities and cash, as disclosed in note 11.

The Charity has a main bank overdraft facility of £3m to service working capital requirements. The bank loan facility has been utilised as planned to provide funding to deliver ongoing capital developments which form part of the overall Strategic Plan. The Charity's corporate and trust funds all have sufficient realisable assets appropriate to meet their respective obligations.

FUTURE PLANS OF THE DEAN CLOSE FOUNDATION

The Charity's Strategic Plan sets out the Dean Close values, vision and ethos. The focus of The Plan is sustainability: financial, educational and environmental. The Plan is built around four pillars:

- Educational excellence;
- Financial sustainability;
- Employee engagement;
- Partnership collaboration.

Around these pillars, the plan establishes medium to long-term aims, which are:

- To cement and sustain the Foundation's strong academic reputation while avoiding selection based on academic grounds alone;
- To remain a flourishing, co-educational community for families, with excellent boarding and day facilities and excellent childcare support in its nurseries;
- To continue to develop excellent relationships with parents and families and to provide the highest possible standards of pastoral and tutorial support;
- To sustain a reputation for excellence in the creative and performing arts and in sport;
- To continue to develop the work of the Chaplain and the chaplaincy team, developing young Christian leaders and promoting spiritual development;
- To maintain and increase pupil numbers throughout the Foundation, particularly at Dean Close St John's School and in boarding;
- To continue the growth in earnings of Dean Close Services Limited and Dean Close Nurseries Limited, in order to invest those earnings in facilities across the Foundation;
- To establish a new lower cost base
- To be excellent employers; recruiting, training and developing outstanding staff;
- To develop and sustain partnerships with other organisations, locally, nationally and internationally; and
- To continue to develop community access to the Foundation's facilities and to widen access to independent education through the provision and active promotion of means-tested bursaries.

The Development Board oversees fundraising activity towards our three major campaign objectives; campus, community and curriculum:

- Campus – to renew the academic heart of Dean Close School, creating innovative and exciting teaching spaces with an emphasis on preparation for modern working life.
- Community – to establish a long term endowment supporting Foundation Awards, which are transformational bursaries for deserving and talented pupils.
- Curriculum – to establish a curriculum through all the age groups which emphasises Skills for the Future, including links with industry through parents, alumni and local partners.

FINANCIAL STATEMENTS

The financial statements on pages 22 to 50 have been prepared in accordance with the Charities Statement of Recommended Practice FRS 102.

KEY ITEMS IN THE STATEMENT OF FINANCIAL ACTIVITIES

Restricted income comprises dividend income from investments, rental income and donations. The endowed reserve contains the unamortised portion of the Arts Council Grant made for the construction of the Music School in 1997. The Foundation's non-charitable trading includes the following activities of Dean Close Services Limited: the operation of the Bacon Theatre, lettings of certain parts of the Charity's property to provide access for external groups to sporting, music, drama and other facilities, together with income from the School Shops. The Foundation has continued to develop a range of owned and managed sports and educational offerings including an Easter Revision course and various Dean Close branded sports camps, which are operated through Dean Close Services Limited. The management of the children's day nurseries is undertaken through Dean Close Nurseries Limited. All surplus income of the trading subsidiaries is used for the purposes of the Charity.

PUBLIC BENEFIT

Direct Public Benefit includes means tested bursaries and grants made to existing and new families. Trustees are committed to broadening access to Dean Close by offering means-tested bursaries to pupils whose parents / guardians are unable to pay the full fees. All bursaries are means-tested annually and have a value of up to 100% of the fees. The Foundation also has a scheme that helps military families with their fees.

Bursaries can range from 5% to 100% of the school fee. On occasions where certain students are selected for particular extracurricular Arts/Drama/Sport trips but where the cost alone precludes their participation we can relieve that financial burden in certain circumstances. The Charity does not have a large endowment and therefore the Trustees are mindful, when bursaries are provided, that there remains a fair balance overall between those benefitting from bursaries and full fee-paying parents, many of whom make significant personal sacrifices to fund their children's education. Fundraising continues to provide an endowment to support Foundation Awards and life-changing bursaries for pupils from families of modest means. Foundationers, supported by donors from the Old Decanian community, former parents and other individuals, continue their education at the senior school and these talented and deserving individuals would never have been able to consider independent schooling without these transformational awards. The Foundation aims to increase the number of Foundationers to 20 over the coming 10 years.

Indirect Public Benefit includes the use of facilities such as the Bacon Theatre and sports facilities which, from time to time, are let on a reduced cost to local groups or groups where their educational or artistic value is highly regarded in educational terms. The Foundation also invites local preparatory schools, junior schools and nurseries to benefit from Forest School, and from events such as sports skills days, choral and orchestral days, and science days. Local children also have the opportunity to attend theatre workshops and plays. Facilities are also made available to educational groups, and have, for example, hosted at no charge Gloucestershire Early Years meetings in the Pre-Prep hall with teachers from schools across Cheltenham.

The Trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

PARTNERSHIPS

Partnership activity in the Dean Close Foundation operates on four levels: locally, regionally, nationally and internationally. Locally, it has many partnerships with primary schools and their pupils attended concerts, plays, Sports Skills and Community Action days, and Forest School at DCSJS, DCPS and DCS or hosted assemblies led by DCS pupils. The Cheltenham Education Partnership (CEP), of which Dean Close is a Founder Member, has continued to gain momentum and provide benefits for pupils in all Cheltenham's secondary schools. There are many regional partnership links in Gloucestershire and the South West for sport, business, chaplaincy and music. National links are with academic organisations, the Choir Schools' Association, and TISCA. Finally, international partnerships have been disrupted but the Foundation remains committed to schools in Uganda and China. Fundraising to support Nyakatukura Memorial Secondary School in Uganda continued during the year, and pupils from the School visited Uganda in the summer of 2023.

AUDITOR

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Annual Report of the Trustees and incorporated Strategic Report were approved by the Board on 2 December 2023 and signed on its behalf by

Kathryn Carden
Chairman of Trustees

THE DEAN CLOSE FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION

Opinion

We have audited the financial statements of The Dean Close Foundation for the year ended 31 August 2024 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and 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 the charitable company's affairs as at 31 August 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

- the parent company has not kept adequate accounting records; or
- the parent 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

As explained more fully in the trustees' responsibilities statement on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of certain income streams which includes, nursery fees and bursaries, scholarships and allowances and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the bursar and the Finance & General Purpose Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over certain income streams listed above, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

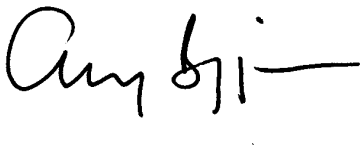
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION (CONTINUED)

Use of our report

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



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

Date: 18 December 2023

THE DEAN CLOSE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023 (Incorporating a consolidated Income and Expenditure account)

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowed funds 2023 £	Total 2023 £	Total 2022 £
Income from:						
Charitable activities						
School fees receivable	2	**23,528,970**	**-**	**-**	**23,528,970**	22,532,816
Ancillary trading income	4	**571,910**	**-**	**-**	**571,910**	289,940
Other trading activities						
Non-ancillary trading income	3	**5,763,352**	**-**	**-**	**5,763,352**	4,946,671
Investments						
Investment income	11(c)	**81,623**	**43,997**	**-**	**125,620**	104,529
Bank and other interest		**34,446**	**-**	**-**	**34,446**	13,355
Voluntary sources						
Grants and donations		**37**	**274,171**	**-**	**274,208**	198,434
Total incoming resources		**29,980,338**	**318,168**	**-**	**30,298,506**	28,085,745
Expenditure on:						
Raising funds						
Non-ancillary trading	3	**4,634,733**	**-**	**-**	**4,634,733**	4,039,683
Financing costs		**614,385**	**-**	**-**	**614,385**	356,330
Investment management		**19,949**	**2,644**	**-**	**22,593**	23,413
Fundraising and development		**112,051**	**-**	**-**	**112,051**	117,952
Total deductible costs	7	**5,381,118**	**2,644**	**-**	**5,383,762**	4,537,378
Charitable activities						
Education and grant making		**24,588,237**	**147,153**	**-**	**24,735,390**	23,690,508
Total expenditure	7	**29,969,355**	**149,797**	**-**	**30,119,152**	28,227,886
Net incoming/(outgoing) funds from operations before transfers and investment gains		**10,983**	**168,371**	**-**	**179,354**	(142,141)
Losses on investments		**(97,368)**	**(14,872)**	**-**	**(112,240)**	(340,985)
Transfers between funds		**19,651**	**-**	**(19,651)**	**-**	-
Net movement in funds		**(66,734)**	**153,499**	**(19,651)**	**67,114**	(483,126)
Fund balances at 1 September 2022		**16,672,133**	**377,118**	**510,936**	**17,560,187**	18,043,313
Fund balances at 31 August 2023	18	**16,605,399**	**530,617**	**491,285**	**17,627,301**	17,560,187

The notes on pages 25 to 50 form part of these financial statements.

THE DEAN CLOSE FOUNDATION

FOUNDATION AND CONSOLIDATED BALANCE SHEETS AS AT 31 AUGUST 2023
REGISTERED NUMBER: 04193948

	Notes	**Group 2023 £**	Group 2022 £	**Foundation 2023 £**	Foundation 2022 £
Fixed assets					
Intangible	8	**443,553**	554,441	**-**	-
Negative goodwill	9	**(44,946)**	(60,809)	**(44,946)**	(60,809)
Tangible	10	**32,868,882**	31,863,321	**32,536,452**	31,621,877
Investments	11	**3,296,063**	3,088,732	**4,815,564**	4,719,121
		36,563,552	35,445,685	**37,307,070**	36,280,189
Current assets					
Stocks		**200,336**	137,121	**19,722**	14,239
Debtors	12	**1,792,026**	1,657,162	**1,662,755**	1,486,017
Cash at bank and in hand		**67,778**	84,724	**12,906**	28,659
		2,060,140	1,879,007	**1,695,383**	1,528,915
Current liabilities					
Creditors payable within one year	13	**(11,243,418)**	(9,493,118)	**(11,780,396)**	(10,046,065)
Net current liabilities		**(9,183,278)**	(7,614,111)	**(10,085,013)**	(8,517,150)
Total assets less current liabilities		**27,380,274**	27,831,574	**27,222,057**	27,763,039
Long term liabilities					
Creditors payable after one year	14	**(9,752,973)**	(10,271,387)	**(9,710,519)**	(10,210,802)
Net assets		**17,627,301**	17,560,187	**17,511,538**	17,552,237
Financed by:					
Endowed funds	18a	**491,285**	510,936	**491,285**	510,936
Restricted funds	18b	**530,617**	377,118	**530,617**	377,118
Unrestricted funds	18c	**16,605,399**	16,672,133	**16,489,636**	16,664,183
Total funds	18	**17,627,301**	17,560,187	**17,511,538**	17,552,237

The net result for the financial year dealt with in the financial statements of the parent charity was a deficit of £40,699 (2022: deficit £483,127). The financial statements were approved and authorised for issue by the Board of The Dean Close Foundation on 2 December 2023 and signed on its behalf by:

Kathryn Carden
Chairman

Matthew Smith
Treasurer

The notes on pages 26 to 50 form part of these financial statements.

THE DEAN CLOSE FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Group 2023 £	Group 2022 £
Reconciliation of net incoming/(outgoing)/ resources to net cash inflow from operating activities			
Net incoming/(outgoing) funds from operations		**179,354**	(142,141)
Elimination of non-operating cashflows:			
Investment income and bank interest received		**(160,066)**	(117,884)
Finance costs		**614,385**	356,330
Depreciation charge	10	**990,738**	1,455,378
Profit on disposal of assets	5	**(7,747)**	(81,867)
Amortisation of goodwill on acquisition	8	**110,888**	110,888
Amortisation of negative goodwill on acquisition	9	**(15,863)**	(15,861)
Increase in stock		**(63,215)**	(17,090)
Increase in debtors		**(134,864)**	(50,477)
Decrease in creditors (excluding fees in advance and deposits and composition fees)		**(352,749)**	(1,006,335)
Increase in fees in advance, deposits and composition fees		**305,405**	680,254
Net cash inflow from operations		**1,466,266**	1,171,195
Cash flows used in investing activities			
Purchase of tangible fixed assets	10	**(1,998,024)**	(1,485,195)
Proceeds from sale of tangible fixed assets		**9,472**	218,146
Additions to investment portfolio		**(319,571)**	(47,978)
Investment income and bank interest received		**160,066**	117,884
Net cash used in investing activities		**(2,148,057)**	(1,197,143)
Cash flows provided by financing activities			
Finance costs paid		**(614,385)**	(356,330)
New bank loan		**285,000**	750,000
New finance lease and hire purchase contracts		**153,312**	248,561
Repayment of secured loans		**(424,347)**	(627,673)
Repayment of other loan		**(71,376)**	(100,000)
Repayment of finance lease and hire purchase contracts		**(59,948)**	(78,640)
Net cash used by financing activities		**(731,744)**	(164,082)
Change in cash and cash equivalents in the year		**(1,413,535)**	(190,030)
Cash and cash equivalents at the beginning of the year		**(135,538)**	54,492
Cash and cash equivalents at the end of the year		**(1,549,073)**	(135,538)
Analysis of cash and cash equivalents			
Cash at bank		**67,778**	84,724
Bank overdrafts	13	**(1,616,851)**	(220,262)
		(1,549,073)	(135,538)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 STATEMENT OF ACCOUNTING POLICIES

(a) Charity information

The Dean Close Foundation is a charitable company limited by guarantee incorporated in England (charity number 1086829 and company number 04193948) and is a Public Benefit Entity operating from its registered office Shelburne Road, Cheltenham, GL51 6HE.

(b) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (2nd edition effective 1 January 2019). The financial statements have been prepared on the historical cost basis of accounting, as modified by the revaluation of investments, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities SORP (FRS 102) and the accounting policies set out below.

The functional currency of the Foundation is considered to be GBP because that is the currency of the primary economic environment in which the Foundation operates.

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity-only Cash Flow Statement within the consolidated financial statements.

No separate Statement of Financial Activities has been presented for the Foundation alone, as permitted by Section 408 of the Companies Act 2006. The net results of the parent Charity are disclosed on page 23.

Going Concern

As part of the Trustee's responsibilities of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of scenarios have been considered. The assumptions modelled are based on the current economic climate and the Headwinds. The most severe risk identified is a downturn in pupil numbers and the impact that this would have on the Foundation's cash flow. In this event, the Trustees measured response would be to place a moratorium on all but essential capital expenditure, to make further cost savings where appropriate to do so and if necessary to liquidate investments held as detailed in note 11 in order to enable the Foundation to operate within its current or increased borrowing facilities.

The Trustees are mindful of "The Headwinds", the challenges that lie ahead. The possible imposition of VAT on school fees and various charitable reliefs being withdrawn by government. Much research is ongoing to develop strategies to mitigate such risk. The Foundation has four 3 year finance strategies covering new and additional income as well as 're-setting' the cost base. The three-year strategies started on 1 September 2023 and include doubling the number of Nurseries, increasing the profitability of Dean Close Services Limited and establishing a new lower cost base across the Foundation. The Trustees believe that the Foundation is therefore in a strong position to combat such challenges.

On the basis of this review, these financial statements have been prepared on a Going Concern basis, which the Trustees consider to be appropriate based on the results for the year ending 31 August 2023 and cash flow projections prepared for the period 31 August 2024 and beyond. The cash flow projections indicate that the Group will be able to meet its liabilities as they fall due and will be able to operate within the facilities currently available. The Trustees consider that there are no material uncertainties over the Foundation's financial viability.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Judgments in applying Accounting Policies and Key Sources of Estimation Uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgments have been made include the following:

(i) Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charge for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 8, 9 and 10 for the carrying amount of the assets and notes 1(i), (j) and (k) for the useful lives for each class of assets.

(ii) Impairment of investments

When assessing impairment of the investments, management considers factors including the financial results, future outlook, net assets and market value of each investment. See note 11 for the net carrying amount of investments.

(iii) Impairment of debtors

The group makes an estimate of the recoverable value of trade and fee debtors. When assessing impairment of trade and fee debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors.

(c) Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of The Dean Close Foundation and its subsidiary Companies, Dean Close Services Limited, Dean Close Nurseries Limited and Dean Close General Charitable Trust and certain Scholarship Funds made up to 31 August 2023. Dean Close Services Limited manages and lets property on behalf of the Foundation and operates the School shops and the Bacon Theatre. Dean Close Nurseries Limited operated six children's day nurseries during the year under review. All intra group sales and profits are eliminated fully on consolidation.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(d) Incoming resources

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. School fee income represents fees receivable, including additional charges, less concessions.

Amounts received under the School's Advance Fee Scheme contracts for education not yet utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided with 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

Non-charitable trading

Income from non-charitable trading represents the turnover from the trading activities of the subsidiary companies, Dean Close Services Limited and Dean Close Nurseries Limited and is recognised when the company has earnt entitlement to the revenues.

Investment Income

Dividend income is accounted for at the date on which the Charity has entitlement to the dividend. Interest on bank balances and fixed income securities are accounted for in the period in which interest is earned.

(e) Government grants

Income from Government grants, whether "capital" grants or "revenue" grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlement occurs before income is received, the income is accrued. Where income is received in advance of the Group having entitlement to the funds, the income is deferred.

(f) Donations

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and economic benefit to the Charity is considered probable. Donations receivable for the general purposes of the Charity are credited to "other unrestricted funds", to distinguish them from direct Foundation income. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Trustees. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or of the value to the Foundation in the case of donated services or facilities.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

g) Legacies

For residuary legacies, entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Pecuniary legacies are recognised once probate has been granted and notification received and where they can be reliably measured. Receipt of a legacy, in whole or in part, is only considered probable and measurable when the amount can be measured reliably and there are no potential claims against the estate.

(h) Expenditure

Expenditure is accounted for on an accruals basis as soon as a liability is considered probable, discounted to present value for longer term liabilities. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of the Trustees' best estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Cost of generating funds includes all the financing costs of the entity in addition to the costs of the development office and trading expenditure of the subsidiary companies accounted for on an accruals basis.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Trustees, and all the costs of complying with constitutional and statutory requirements, such as the costs of Trustees meetings and of preparing statutory accounts and satisfying public accountability.

(i) Goodwill and amortisation

Goodwill is the difference between the amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities.

Amortisation is provided on goodwill at rates calculated to write off the cost on a straight line basis over its expected useful life as follows:

Goodwill on acquisition of Nursery Childcare Services (UK) Limited	10% on cost

(j) Negative goodwill

Negative goodwill is the difference between the fair value of the assets and liabilities acquired of a business and the amount paid on acquisition.

Negative goodwill is credited to incoming resources on a straight line basis over its expected useful life as follows:

Negative goodwill on Asset Purchase of Airthrie School LLP	20% on valuation

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(k) Fixed assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation. Items costing less than £5,000 are written off as an expense on acquisition.

Depreciation is calculated so that tangible fixed assets are written off over their currently estimated useful lives at annual rates, which are as follows: -

Freehold land	Nil
Freehold property	1% - 6.67% on cost
Plant and equipment	2%/10%/20% on cost
Theatre equipment	10% on cost
Fixtures and fittings	10% - 20% on cost
Motor vehicles	20% on cost
School shop equipment	20% on cost
Computer equipment	10% - 25% on cost

Assets under construction are not depreciated until they are brought into use.

Following a periodic review of fixed assets on 1 September 2022, the rate of depreciation on the majority of freehold property was reduced to 1% and in respect of upgrade work to boarding houses included within fixtures and fittings, was reduced to 10%. Depreciation on these assets has been re-calculated for the year under review with reference to the number of remaining years since the date of acquisition.

(l) Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

(m) Stocks

Stocks are stated in the balance sheet at the lower of cost and net realisable value after making due allowances for obsolete and slow moving stock.

(n) Debtors

Short term debtors are measured at transaction price, less any impairment.

(o) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

(p) Creditors

Short term creditors are measured at the transaction price.

(q) Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities on a reducing balance basis over the lease term.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(r) Taxation

The Dean Close Foundation is a registered charity and is not liable to Corporation Tax or Income Tax on all its income and gains properly applied for its charitable purposes. Dean Close Services Limited and Dean Close Nurseries Limited, trading subsidiaries of the Foundation, are liable to Corporation Tax.

(s) Pension costs

Teaching Staff

The scheme is a multi-employer pension scheme. It is not possible to identify the Charity's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the scheme is accounted for as if it were a defined contribution scheme. The Charity'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 Charity also operates a defined contribution group personal pension plan with AVIVA. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

All pension costs are allocated to unrestricted funds, this being the fund from which wages and salaries are paid.

Non-Teaching Staff

The Charity operates a defined contribution group personal pension plan for its non-teaching staff with AVIVA (2022: three defined contribution group personal pension plans with Scottish Equitable, Standard Life and AVIVA). Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

All pension costs are allocated to unrestricted funds, this being the fund from which wages and salaries are paid.

(t) Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investments in subsidiaries are valued at cost less provision for impairment.

(u) Composition fees

The Charity operates a composition fee scheme for parents. Income arising is treated as general income of the Foundation, out of which provision for future fee liabilities under the scheme is made.

(v) Recognition of liabilities

Liabilities are recognised when the Charity has an obligation to make payment to a third party.

(w) Redundancy

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

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(x) Funds policy

Unrestricted funds are funds that are available for use at the discretion of the Trustees in furtherance of the objects of the Charity.

Designated funds are unrestricted funds which have been set aside by Trustees for specific purposes.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes.

The Charity holds a grant under permanent endowment. Any income arising on the Permanent Endowment Fund is treated as restricted income of the Charity.

Expendable endowment funds represent the expendable endowment of the Charity. The funds are expendable at the discretion of the Trustees.

(y) Financial instruments

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

2 Charitable activities – fees receivable

	2023	2022
	£	£
Fees receivable comprise:		
School fees	**27,783,183**	26,760,542
Allowances		
Bursaries and concessionary fees	**(3,184,272)**	(3,059,556)
Scholarships and exhibition awards	**(1,176,533)**	(1,262,287)
	23,422,378	22,438,699
Add back: Bursaries, scholarships and awards paid for by restricted funds	**106,592**	94,117
	23,528,970	22,532,816

Scholarships, bursaries and exhibition awards paid for out of Restricted funds were £106,592 (2022: £94,117).

3 Income from subsidiary's trading activities

(a) The Charity owns the whole of the ordinary share capital of Dean Close Services Limited (registered number 02627579, registered office Shelburne Road, Cheltenham, GL51 6HE), whose trading activities include the school shops, and management and letting of facilities on behalf of the Charity such as the Bacon Theatre.

The following trading results for the subsidiary are incorporated in the Consolidated Statement of Financial Activities:

	2023 £	2022 £
Turnover	**945,686**	773,826
Cost of sales	**(262,488)**	(216,383)
Gross profit	**683,198**	557,443
Administrative expenses	**(410,819)**	(349,965)
Governance costs	**(2,340)**	(2,000)
Interest payable	**(3,980)**	(4,646)
Operating profit	**266,059**	200,832
Donation made under gift aid to the Foundation	**(158,245)**	(200,832)
Retained profit for the financial year	**107,814**	-
Total assets	**471,609**	366,844
Total liabilities	**235,846**	238,895
Share capital	**120,000**	120,000
Profit and loss account	**115,763**	7,949
Shareholder's funds	**235,763**	127,949

The subsidiary donated taxable profits to the Charity of £266,059 (2022: £200,832) under the Gift Aid Scheme.

Included in cost of sales and administration expenses are £439,418 (2022: £287,442) paid to The Dean Close Foundation. These transactions were eliminated on consolidation. At the year end, £67,878 was owed by The Dean Close Foundation (2022: £4,371).

3 Income from subsidiary's trading activities (continued)

(b) The Charity owns the whole of the ordinary share capital of Dean Close Nurseries Limited (registered number 09635445, registered office Shelburne Road, Cheltenham, GL51 6HE), whose trading activities during the year under review include the provision of nursery care operating from six sites.

The following trading results for the subsidiary are included in the Consolidated Statement of Financial Activities:

	2023 £	2022 £
Turnover	**4,817,666**	4,172,845
Operating expenses	**(255,639)**	(207,465)
Gross profit	**4,562,027**	3,965,380
Administrative expenses	**(3,694,787)**	(3,255,224)
Governance costs	**(4,680)**	(4,000)
Operating profit	**862,560**	706,156
Donation made under gift aid to the Foundation	**(862,560)**	(706,156)
Retained profit for the financial year	**-**	-
Total assets	**1,100,122**	1,075,427
Total liabilities	**144,173**	119,478
Share capital	**10,000**	10,000
Profit and loss account	**945,949**	945,949
Shareholder's funds	**955,949**	955,949

The subsidiary donated £862,560 (2022: £706,156) taxable profits to the Charity under the Gift Aid Scheme.

Included in operating and administration expenses are £3,332,390 (2022: £2,740,643) paid to The Dean Close Foundation. These transactions were eliminated on consolidation. At the year end, £806,665 (2022: £846,365) was owed by The Dean Close Foundation.

4 Charitable activities - ancillary trading income

	2023 £	2022 £
Registration fees	**33,498**	29,837
Holiday courses	**-**	918
Pupils insurance discounts	**1,709**	1,051
Sundry receipts	**139,332**	136,743
School trips and activities	**397,371**	121,391
	571,910	289,940

5 Net incoming/(outgoing) resources

This is stated after charging/(crediting):

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
Depreciation of tangible fixed assets				
- Owned	**958,409**	**904,831**	1,429,402	1,375,139
- Held under hire purchase	**32,329**	**20,783**	25,976	14,429
Amortisation of goodwill	**110,888**	**-**	110,888	-
Amortisation of negative goodwill	**(15,863)**	**(15,863)**	(15,861)	(15,861)
Auditor's remuneration:				
- Fees payable for the audit of the financial statements	**35,100**	**28,080**	30,000	24,000
- Tax and other advisory services	**2,140**	**-**	2,500	-
Operating leases:				
- Land and Property	**433,593**	**433,593**	406,949	406,949
Interest payable				
- Under hire purchase	**10,154**	**6,174**	9,228	4,582
- Other	**573,736**	**573,736**	300,338	300,338
Profit on disposal of tangible fixed assets	**(7,747)**	**(7,747)**	(81,867)	(81,867)

6 Staff costs

	2023 £	2022 £
Wages and salaries	**16,039,900**	14,602,985
Social security costs	**1,374,083**	1,279,938
Pension contributions - Teachers' Pension Scheme	**1,399,026**	1,521,444
Pension contributions – other	**286,861**	180,194
Other costs including agency staff	**144,830**	299,496
Total direct costs of employment	**19,244,700**	17,884,057

	2023 £	2022 £
Aggregate employee – benefits of key management personnel	**1,003,172**	956,693

The average number of staff during the year was:

	2023 Headcount	2022 Headcount
Teaching Staff	**286**	293
Nursery Staff	**149**	138
Administration support:		
Welfare	**101**	88
Premises	**33**	29
Support	**125**	129
Administration of charity	**1**	1
	695	678

The number of higher paid employees was:

	2023 No.	2022 No.
£60,001 - £70,000	**14**	**7**
£70,001 - £80,000	**6**	**4**
£80,001 - £90,000	**1**	**1**
£90,001 - £100,000	**1**	**1**
£100,001 - £110,000	**1**	**1**
£110,001 - £120,000	**-**	**1**
£120,001 - £130,000	**1**	**-**
£160,001 - £170,000	**-**	**1**
£170,001 - £180000	**1**	**-**

In the year, contributions were made for 13 (2022:11) higher paid employees, to the Teachers' Pension Scheme, a defined benefit scheme and contributions were made for 12 (2022: 5) higher paid employee to a defined contribution scheme.

The Trustees received £Nil (2022: £Nil) remuneration during the year.

During the year, there were redundancy or termination payments made which amounted to £19,215 (2022: £58,197). At the year end £4,612 was outstanding (2022: £23,502).

7 (a) Analysis of expenditure

	Staff costs £	Other costs £	Depreciation £	Total 2023 £	Total 2022 £
Costs of generating funds					
Trading costs	**3,209,567**	**1,360,042**	**65,124**	**4,634,733**	4,039,683
Financing costs	**-**	**614,385**	**-**	**614,385**	356,330
Investment management fees	**-**	**22,593**	**-**	**22,593**	23,413
Development costs	**86,779**	**25,272**	**-**	**112,051**	117,952
Total costs of generating funds	**3,296,346**	**2,022,292**	**65,124**	**5,383,762**	4,537,378
Charitable activities					
Education and grant making					
Teaching	**11,648,393**	**1,212,821**	**-**	**12,861,214**	11,943,352
Welfare	**1,010,721**	**1,998,346**	**-**	**3,009,067**	2,589,141
Premises	**773,301**	**2,164,393**	**357,044**	**3,294,738**	3,655,179
Support costs and governance	**2,515,939**	**2,379,269**	**568,570**	**5,463,778**	5,408,719
Grants, awards and prizes	**-**	**106,593**	**-**	**106,593**	94,117
Total charitable expenditure	**15,948,354**	**7,861,422**	**925,614**	**24,735,390**	23,690,508
Total expended	**19,244,700**	**9,883,714**	**990,738**	**30,119,152**	28,227,886

7 (b) Governance included in support costs

	2023 £	2022 £
Remuneration paid to auditor	**35,100**	30,000
Reimbursement of personal expenses to Trustees	**3,926**	3,967
Other governance costs	**5,491**	5,332
	44,517	39,299

Of the Trustees 6 (2022: 6) received a total of £3,926 (2022: £3,967) in respect of repayment of travel and accommodation costs, reference books and attendance at training and conferences.

8 Intangible fixed assets – Group only

	Total Goodwill £
Cost	
At 1 September 2022 and 31 August 2023	**1,108,881**
Amortisation	
At 1 September 2022	554,440
Charge for the year	110,888
At 31 August 2023	**665,328**
Net book value	
At 31 August 2023	**443,553**
At 31 August 2022	554,441

Goodwill arose from the acquisition of the shares in Nursery Childcare Services (UK) Limited on 1 September 2018, which held two profitable nurseries which were transferred to another group entity.

Goodwill is amortised over the Trustees' estimate of its useful life of 10 years.

9 Negative goodwill – Group and Foundation

	Total Negative Goodwill £
Cost	
At 1 September 2022 and 31 August 2023	**(79,313)**
Amortisation	
At 1 September 2022	18,504
Credit for the year	15,863
At 31 August 2023	**34,367**
Net book value	
At 31 August 2023	**(44,946)**
At 31 August 2022	(60,809)

Negative goodwill arose from the Asset Purchase of Airthrie School LLP on 5 July 2021. These assets were included in the financial statements at fair value together with associated costs and are in respect of tangible fixed assets. The difference between the valuation and purchase price resulted in negative goodwill of £79,313. This sum is being credited back to incoming resources in the Statement of Financial Activities over a 5 year period on a straight line basis.

10 Tangible fixed assets - Group

	Freehold land and property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Total £
Cost					
At 1 September 2022	39,041,555	-	3,424,541	4,803,788	**47,269,884**
Additions	383,030	69,445	626,166	919,383	**1,998,024**
Disposals	-	-	-	(271,505)	**(271,505)**
At 31 August 2023	**39,424,585**	**69,445**	**4,050,707**	**5,451,666**	**48,996,403**
Depreciation					
At 1 September 2022	10,364,057	-	2,206,386	2,836,120	**15,406,563**
Charge for the year	357,044	-	286,149	347,545	**990,738**
Disposals	-	-	-	(269,780)	**(269,780)**
At 31 August 2023	**10,721,101**	**-**	**2,492,535**	**2,913,885**	**16,127,521**
Net book value					
At 31 August 2023	**28,703,484**	**69,445**	**1,558,172**	**2,537,781**	**32,868,882**
At 31 August 2022	28,677,498	-	1,218,155	1,967,668	31,863,321

The net book value of assets held under finance leases or hire purchase contracts included above within Plant and Equipment is £349,956 (2022: £228,973).

Tangible fixed assets – The Dean Close Foundation

	Freehold land and property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Total £
Cost					
At 1 September 2022	39,041,555	-	3,130,404	4,574,054	**46,746,013**
Additions	383,030	69,445	534,624	854,815	**1,841,914**
Disposals	-	-	-	(271,505)	**(271,505)**
At 31 August 2023	**39,424,585**	**69,445**	**3,665,028**	**5,157,364**	**48,316,422**
Depreciation					
At 1 September 2022	10,364,058	-	2,038,658	2,721,420	**15,124,136**
Charge for the year	357,044	-	239,976	328,594	**925,614**
Disposals	-	-	-	(269,780)	**(269,780)**
At 31 August 2023	**10,721,102**	**-**	**2,278,634**	**2,780,234**	**15,779,970**
Net book value					
At 31 August 2023	**28,703,483**	**69,445**	**1,386,394**	**2,377,130**	**32,536,452**
At 31 August 2022	28,677,497	-	1,091,746	1,852,634	31,621,877

The net book value of assets held under finance leases or hire purchase contracts included above within Plant and Equipment is £257,584 (2022: £125,054).

11(a) Investments

	Group 2023 £	Group 2022 £
At 1 September 2022	**3,088,732**	3,381,739
Incoming funds	**251,998**	-
Realised losses	**(35,123)**	(44,409)
Unrealised losses	**(77,117)**	(296,576)
Management fees	**(22,593)**	(23,412)
Dividends reinvested	**90,166**	71,390
At 31 August 2023	**3,296,063**	3,088,732

Details of the additions and disposals during the year are shown in the Cash Flow Statement.

These balances can be further analysed as follows:

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
(a) Investment in subsidiaries	-	**1,519,501**	-	1,630,389
(b) Other Investments at market value:	**3,209,439**	**3,209,439**	2,785,097	2,785,097
(c) Investments held in cash	**86,624**	**86,624**	303,635	303,635
	3,296,063	**4,815,564**	3,088,732	4,719,121

11(b) Investments – Group

Investments held on non-UK stock markets totalled £580,238 (2022: £615,144). Within the investment portfolio, the Charity holds 175,000 units of 0% Treasury T-Bills with a maturity date of 18 September 2023 and a market value of £174,573. There are no other specific investments which represent more than 5% of the overall investment portfolio (2022: none)

The market values of quoted investments held at 31 August 2023 are based upon stock market quoted prices at the year end date.

11(c) Investment income

	2023 £	2022 £
Dividends from managed funds	**86,842**	70,385
Interest on government stocks	**439**	97
Interest on cash deposits	**4,839**	547
Rental income on property	**33,500**	33,500
	125,620	104,529

12 Debtors

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
Fees and extras (less provision for bad debts)	**934,510**	**925,657**	996,549	969,921
Other debtors	**290,169**	**210,953**	182,644	92,362
Prepayments and accrued income	**567,347**	**526,145**	477,969	423,734
	1,792,026	**1,662,755**	1,657,162	1,486,017

Fees and extras are stated after impairment provisions totalling £401,244 (2022: £487,140).

13 Creditors: amounts falling due within one year

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
Bank loans (see note 14)	**454,000**	**454,000**	431,511	431,511
Other loan (see note 14)	**125,000**	**125,000**	71,376	71,376
Bank overdraft	**1,616,851**	**1,616,851**	220,262	220,262
Fees received in advance	**3,924,028**	**3,924,028**	3,042,358	3,042,358
Trade creditors	**899,988**	**711,532**	873,191	765,012
Amounts owed to subsidiaries	**-**	**874,543**	-	850,736
Taxation and social security	**963,840**	**963,840**	1,321,800	1,321,800
Other creditors	**229,518**	**204,173**	291,500	259,450
Accruals and deferred income	**741,516**	**635,882**	701,120	560,808
Obligations under finance lease and hire purchase contracts (see note 16)	**75,171**	**57,041**	37,933	20,685
Deposits held	**1,592,800**	**1,592,800**	1,676,441	1,676,441
	10,622,712	**11,159,690**	8,667,492	9,220,439
Composition fees (see note 15)	**620,706**	**620,706**	825,626	825,626
	11,243,418	**11,780,396**	9,493,118	10,046,065

14 Creditors: amounts falling due after more than one year

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
Bank loans (see below)	**7,228,780**	**7,228,780**	7,390,616	7,390,616
Other loan (see below)	**1,525,000**	**1,525,000**	1,650,000	1,650,000
Obligations under finance lease and hire purchase contracts (see note 16)	**188,114**	**145,660**	131,988	71,403
Composition fees (note 15)	**811,079**	**811,079**	1,098,783	1,098,783
	9,752,973	**9,710,519**	10,271,387	10,210,802

The bank loans are repayable by instalments

	2023 £	2022 £
Over 5 years	**5,004,830**	5,389,800
Within 2 to 5 years	**1,301,753**	1,569,305
Within 1 to 2 years	**922,197**	431,511
	7,228,780	7,390,616
Within 1 year (see note 13)	**454,000**	431,511
	7,682,780	7,822,127

On 18 June 2021, formal repayment terms were agreed relating to an existing bank loan of £7,699,800. The maximum facility limit was £7.7m which was repayable in 60 instalments of £128,333.34 payable on 31 January, 30 April and 30 September of each year. The interest rate on the loan was 1.98% above Bank of England Base Rate. The loan was secured on certain freehold properties. On 31 August 2023, this loan was reviewed and continues on the same repayment terms as the pre-existing loan for a period of 17 years 11 months. The interest rate on the loan is 1.98% above Bank of England Base Rate and is subject to review in August 2025.

On 7 September 2021, a loan of £750,000 was agreed to finance the purchase of a property. The loan is repayable over a 3 year term commencing on 27 October 2021 in 35 monthly instalments of £3,819.42 (capital and interest) with the remaining balance due no later than 27 September 2024. The interest rate on the loan is 1.97% over the Bank of England Base Rate. The loan is secured on certain freehold properties.

On 3 February 2023, a loan of £285,000 was agreed to finance the updating and replacement of the ICT network and wi-fi. The loan is repayable over a 5 year term commencing on 3 March 2023 in 60 monthly instalments of £5415.06 (capital and interest). The interest on the loan is 2.27% over the Bank of England Base Rate.

On 31 August 2023, a loan of £850,000 was agreed which was drawn down on 13 September 2023 to finance the purchase of a property. The loan is repayable in full by one instalment on 13 September 2024. The interest rate on the loan is 1.75% over the Bank of England Base Rate. The loan is secured on certain freehold properties.

14 Creditors: amounts falling due after more than one year (continued)

The other loan is repayable by instalments

	2023 £	2022 £
Over 5 years	**1,025,000**	1,150,000
Within 2 to 5 years	**375,000**	375,000
Within 1 to 2 years	**125,000**	125,000
	1,525,000	1,650,000
Within 1 year (see note 13)	**125,000**	71,376
	1,650,000	1,721,376

The other loan is in respect of the Asset Purchase of Airthrie School LLP and is secured on certain freehold property. The loan is repayable over a 15 year term and annual repayments commenced on 5 July 2022. The interest rate is fixed at 1%.

15 Creditors: composition fees

Parents may pay the school tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils will remain in the Charity's schools, the amounts due will be applied as follows:

	Group and Foundation 2023 £	Group and Foundation 2022 £
Greater than 5 years	**-**	59,637
Within 2 to 5 years	**442,148**	563,397
Within 1 to 2 years	**368,931**	475,749
	811,079	1,098,783
Within 1 year (see note 13)	**620,706**	825,626
	1,431,785	1,924,409

Discounts are given on composition fee accounts in accordance with the rate as set out in the individual signed agreements.

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

	£
Balance at 1 September 2022	1,924,409
New contracts	537,466
Refunds	(136,131)
Amounts utilised in payment of fees to the Charity	(930,673)
Discounts given	36,714
Balance at 31 August 2023	**1,431,785**

16 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
Within one year	**75,171**	**57,041**	37,933	20,685
Between 1 – 5 years	**188,114**	**145,660**	131,988	71,403
	263,285	**202,701**	169,921	92,088

The assets held under hire purchase are in respect of plant & equipment.

17 Financial instruments

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
Financial assets measured at fair value	**3,296,063**	**3,296,063**	3,088,732	3,088,732

Financial assets held at fair value include assets held as investments.

18 Net assets of the funds of the Group and The Dean Close Foundation

The net assets held as at 31 August 2023 for the various funds are as follows:

	Goodwill on consolidation £	Fixed assets and Investments £	Net current (liabilities)/ assets £	Long term liabilities £	Total £
Endowed funds	-	491,285	-	-	**491,285**
Restricted funds	-	530,617	-	-	**530,617**
General funds	-	36,285,168	(10,085,013)	(9,710,519)	**16,489,636**
Foundation	-	37,307,070	(10,085,013)	(9,710,519)	**17,511,538**
Subsidiary and other funds	(945,947)	332,429	901,735	(42,454)	**245,763**
Consolidation adjustments	1,389,500	(1,519,500)	-	-	**(130,000)**
Group	443,553	36,119,999	(9,183,278)	(9,752,973)	**17,627,301**

18 Net assets of the funds of the Group and the Dean Close Foundation (continued)

Comparative 2022	Goodwill on consolidation	Fixed assets and Investments	Net current assets/ (liabilities)	Long term liabilities	Total
	£	£	£	£	£
Endowed funds	-	510,936	-	-	510,936
Restricted funds	-	377,118	-	-	377,118
General funds	-	35,392,135	(8,517,150)	(10,210,802)	16,664,183
Foundation	-	36,280,189	(8,517,150)	(10,210,802)	17,552,237
Subsidiary and other funds	(945,947)	241,443	903,039	(60,585)	137,950
Consolidation adjustments	1,500,388	(1,630,388)	-	-	(130,000)
Group	554,441	34,891,244	(7,614,111)	(10,271,387)	17,560,187

18(a) Endowed funds: Movements in the year (Group and Foundation)

	Balance at 1 September 2022 £	Incoming endowments £	Amounts expended £	Transfers £	Balance at 31 August 2023 £
Permanent endowments:					
Arts Council Grant	510,936	-	-	(19,651)	**491,285**

The grant received from the Arts Council in respect of the construction in 1997 of the new Music School amounted to £982,561. This is being amortised over the useful life of the Music School, with the amortisation charge of £19,651 for the year being transferred to unrestricted funds.

The grant is an endowment fund by virtue of its purpose being to provide Arts in the community by building the Music School and is subject to certain conditions being met.

Comparative 2022	Balance at 1 September 2021 £	Incoming endowments £	Amounts expended £	Transfers £	Balance at 31 August 2022 £
Permanent endowments:					
Arts Council Grant	530,587	-	-	(19,651)	510,936

18(b) Restricted funds: Movements in the year (Group and Foundation)

	Balance at 1 September 2022 £	Incoming resources £	Amounts expended £	Transfers and Investment Losses £	Balance at 31 August 2023 £
Prize, Bursary and other funds	364,093	318,168	(149,797)	(14,751)	**517,713**
Quad Redevelopment	121	-	-	(121)	-
Private Family Charitable Trust	12,904	-	-	-	**12,904**
	377,118	318,168	(149,797)	(14,872)	**530,617**

Prize, Bursary and other funds consist of a number of individual bequests received from individual donors and are utilised in accordance with donors' wishes. The Quad Redevelopment fund consisted of a number of donations received from individual donors and were utilised in accordance with donors' wishes to assist with the funding of the Academic Quad Redevelopment at the Senior School. £498,635 was transferred into the unrestricted fund during 2022 on completion of the Quad Redevelopment.

Comparative Funds 2022	Balance at 1 September 2021 £	Incoming resources £	Amounts expended £	Transfers and Investment gains £	Balance at 31 August 2022 £
Prize, Bursary and other funds	247,807	234,089	(102,778)	(15,025)	364,093
Quad Redevelopment	498,635	121	-	(498,635)	121
Private Family Charitable Trust	12,904	-	-	-	12,904
	759,346	234,210	(102,778)	(513,660)	377,118

18(c) Unrestricted funds: Movements in the year

	Balance at 1 September 2022 £	Incoming resources £	Amounts expended £	Transfers and Investment losses £	Balance at 31 August 2023 £
General fund	16,672,133	29,980,338	(29,969,355)	(77,717)	**16,605,399**

The General fund includes £16,489,636 (2022: £16,664,183) net assets in respect of funds held by the Foundation. On consolidation, amortisation of goodwill totalling £110,888 was added to the amounts expended which is included in the figure above. Transfers and Investment losses within the General fund include £19,651 transferred from endowed funds. Further details of the transfers are included in notes 18a and 18b.

Comparative 2022	Balance at 1 September 2021 £	Incoming resources £	Amounts Expended £	Transfers and Investment gains £	Balance at 31 August 2022 £
General fund	16,753,380	27,851,535	(28,125,108)	192,326	16,672,133

19 Capital commitments

The Group and Foundation had capital commitments at 31 August 2023 contracted for but not provided in these accounts of £Nil (2022: £292,255 for freehold property and fixtures and fittings).

20 Operating lease commitments

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

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
Expiring within 1 year	**444,009**	**444,009**	398,777	398,777
Expiring within 1 to 5 years	**1,166,043**	**1,166,043**	1,135,600	1,135,600
Expiring greater than 5 years	**1,196,809**	**1,196,809**	1,412,400	1,412,400

21 Pension Schemes

The Charity participates in the Teachers' Pension Scheme ("the TPS") for the majority of its teaching staff. The pension charge for the year includes employer contributions payable to the TPS of £1,399,026 (2022: £1,521,444) and at the year-end £159,475 (2022: £156,988) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the "greater value" benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The Charity also operates one workplace pension scheme (2022: three) on a defined contribution basis. Employer contributions for the year amounted to £286,861 (2022: £180,194), and at the year-end £65,829 (2022: £52,924) was accrued in respect of contributions to this scheme.

22 Post balance sheet events

On 1 September 2023, the Charity exchanged contracts for the purchase of a property in Cheltenham at an agreed price of £850,000. Completion took place on 14 September 2023 and the cost was financed by a term loan (see note 14).

23 Related party transactions

In accordance with CC29 – Conflicts of interest: A guide for charity Trustees, certain transactions between Trustees and the Charity are disclosable.

There were no disclosable transactions during the year (2022: £422 with Painswick Garden Estates of which Mrs H S L Daltry was a Director and at the year end, £Nil was owed by The Dean Close Foundation). A donation of £12,500 was received from 1 Trustee during the year (2022: £13,750 from 1 Trustee and a close family member).

Apart from the aforementioned items, there were no related party transactions in the year or prior year, with the exception of those Trustees and key management who have children attending the Charity's schools. School fees incurred by Trustees are paid on a commercial arms' length basis, whilst key management can benefit from a staff concession that can be available to all eligible members of staff who have children attending the Foundation.

See note 3(a) and 3(b) for details of the transactions which took place between the Charity and its wholly owned subsidiaries, Dean Close Services Limited and Dean Close Nurseries Limited in the year and any amounts outstanding at the year end.

The Ministry of Defence provides some funding each year for the purposes of the Dean Close Combined Cadet Force (CCF). A separate CCF bank account is held by the Charity. The CCF bank account balance as at 31 August 2023 was £9,739 (2022: £6,653).

24 Analysis of changes in net debt (Group)

	Balance at 1 September 2022 £	Cash flows £	Other non-cash changes £	Balance at 31 August 2023 £
Cash and cash equivalents				
Cash	84,724	(16,946)	-	**67,778**
Overdraft	(220,262)	(1,396,589)	-	**(1,616,851)**
	(135,538)	(1,413,535)	-	**(1,549,073)**
Due within one year				
Bank and other loans	(502,887)	(210,722)	134,609	**(579,000)**
Hire purchase obligations	(37,933)	(59,947)	22,709	**(75,171)**
Due greater than one year				
Bank and other loans	(9,040,616)	-	286,836	**(8,753,780)**
Hire purchase obligations	(131,988)	-	(56,126)	**(188,114)**
Total	(9,848,962)	(1,684,204)	388,028	**(11,145,138)**

25 Consolidated Statement of Financial Activities – Comparative figures by fund

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowed funds 2022 £	Total 2022 £
Income from:					
Charitable activities					
School fees receivable	2	22,532,816	-	-	22,532,816
Ancillary trading income	4	289,940	-	-	289,940
Other trading activities					
Non-ancillary trading income	3	4,946,671	-	-	4,946,671
Investments					
Investment income	11(c)	68,704	35,825	-	104,529
Bank and other interest		13,355	-	-	13,355
Voluntary sources					
Grants and donations		49	198,385	-	198,434
Total incoming resources		27,851,535	234,210	-	28,085,745
Expenditure on:					
Raising funds					
Non-ancillary trading	3	4,039,683	-	-	4,039,683
Financing costs		356,330	-	-	356,330
Investment management		22,690	723	-	23,413
Fundraising and development		117,952	-	-	117,952
Total deductible costs	7	4,536,655	723	-	4,537,378
Charitable activities					
Education and grant making		23,588,453	102,055	-	23,690,508
Total expenditure	7	28,125,108	102,778	-	28,227,886
Net outgoing funds from operations before transfers and investment losses		(273,573)	131,432	-	(142,141)
Losses on investments		(330,460)	(10,525)	-	(340,985)
Transfers between funds		522,786	(503,135)	(19,651)	-
Net movement in funds		(81,247)	(382,228)	(19,651)	(483,126)
Fund balances at 1 September 2021		16,753,380	759,346	530,587	18,043,313
Fund balances at 31 August 2022	18	16,672,133	377,118	510,936	17,560,187

THE DEAN CLOSE FOUNDATION

England & Wales - Charity number 1086829

Accounts

Registered Charity Number: 1086829
Registered Company Number: 04193948

THE DEAN CLOSE FOUNDATION

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

THE DEAN CLOSE FOUNDATION

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FOR THE YEAR ENDED 31 AUGUST 2022

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THE DEAN CLOSE FOUNDATION

TRUSTEES, OFFICERS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022

The Directors of the Company, who are referred to throughout these financial statements as the Trustees, are listed below, along with the Members of the Company and the main sub-committee.

President
The Lord Ribeiro

Council of Members
The Rev'd M Allen
The Rev'd S Austen BSc, MA, Dip.Min
M Bowen
H Bradby BA, MA
S Bullingham MSc, BSc
R Byrd, FCA, FCCA
Mrs K A Carden BA, MPhil
M J Cartwright, BA, FCA
The Rev'd J Chaffey, MA, BA
*Mrs S Clayton
The Rev'd R M Coombs, BSc, MA
Mrs H S L Daltry, BA
B Davies OBE
Mrs R Dick, BA, ACA
*Mrs C Dowler
C S S Drew, MA
J Drew, Meng
I A Duffin, BCom, FCA
Mrs R Eden
Mrs C Fletcher MA (appointed 24 November 2021)
S Foster
D Goode, MA, MPhil (retired 22 January 2022)
J Hall
B Harding, MBA
P Harvey, MA (appointed 1 March 2022)
Dr J Haynes, BM BCh. MA FRCPsych (retired 22 January 2022)
Mrs T Haynes, BSc (Hons)
*R Hilldick-Smith, MEng, CEng, IMechE
Mrs A Hillman, BA
Mrs S L Hirst, BEd
S W Holliday, MA
A J Hunt
*The Rev'd Dr J M Holmes, MA, PhD, VetMB, MRCVS (retired 22 January 2022)
A Judge
Mrs R Keens (appointed 1 March 2022)
*Mrs F Knight BA
R Lewis, BSc
AVM (Ret'd) R Lock, CBE, BSc
The Rev'd R Mackay
D Main, FCA, FCCA (appointed 24 November 2021)
Mrs A Marsden, BSc MA
P Maynard (retired 22 January 2022)
G McDonald, B.Comm B. Acc
*J Moos, Mcomp (Hons) CCP MCIS (appointed 24 November 2021)
*D Mullins, BSc, FCA
Mrs P G Napier
B Nicholas, MA
*Mrs C Pack, MRICS
H Palmer (appointed 1 March 2022)
N Patterson (retired 22 January 2022)
*M Philip-Sorensen
Mrs K Pinsent
Dr A Porter
*Lord Ribeiro, kt, CBE, FRCS, FRCSEd

THE DEAN CLOSE FOUNDATION

TRUSTEES, OFFICERS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Council of Members (continued)
Mrs K Riding, LLB
Dr C Roberts, BA, BM BCh, FRCA
F J Shaw, MA, MSc, CEng, CSci
P Silvester, ACIB, BA
M P Smith, MA
*T Spencer
Mrs J Sykes, BA (retired 22 January 2022)
*Lt. Col E T Taylor, BA, RA
S Thomas, BA, LLM
S Thomas, BA, LLB
*J Townsend, MA
The Rev'd Canon Dr P R Williams, CStJ, DL
Rt Rev'd Paul Williams

Board of Trustees
S Bullingham, MSc, BSc
Mrs K A Carden, BA., MPhil., (Chairman)
The Rev'd J Chaffey, MA, BA (retired 3 July 2022)
The Rev'd R M Coombs, BSc, MA
Mrs H S L Daltry, BA
C S S Drew, MA
Mrs S L Hirst, BEd
S W Holliday, MA (appointed 18 September 2021)
AVM (Ret'd) R Lock, CBE, BSc (appointed 5 October 2022)
Mrs A Marsden, BSc, MA (retired 11 June 2022)
G McDonald, B.Comm B. Acc
M P Smith, MA
*Lt. Col E T Taylor, BA, RA

Finance & General Purposes Committee
S Bullingham, MSc, BSc
Mrs K A Carden, MPhil, BA
Mrs H S L Daltry, BA
G McDonald, B.Comm B. Acc
M P Smith, MA

* Old Decanian

Status and Administration

The Dean Close Foundation (referred to as the Charity or the Foundation throughout these financial statements) is a registered charitable company that incorporates the charitable institution originally founded in 1886. Its charity number is 1086829, its company number is 04193948, and its Articles of Association were adopted on 4th April 2001 and most recently amended on 28 May 2021. The liability of the Members is limited by guarantee.

Clerk to the Trustees	A P Bowcher MBA, FCIB, DipFS
Treasurer	M P Smith, MA
Company Secretary	M Madeley
Registered Office and Principal Address	Shelburne Road Cheltenham Gloucestershire, GL51 6HE
Banker	HSBC Bank plc 2 The Promenade Cheltenham Gloucestershire, GL50 1LR
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol, BS1 4QA Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire, GL50 1YD
Independent Auditor	Crowe U.K. LLP 4th Floor St James House St James Square Cheltenham Gloucestershire, GL50 3PR
Insurer	Zurich Insurance plc The Zurich Centre 3000 Parkway Whiteley Fareham Hampshire, PO15 7JZ Policy No. KSC-252038-7703 (includes Employers' Liability and Public Liability)
Investment Manager	Rathbone Investment Management 1 Curzon Street London, W1J 5FB

THE DEAN CLOSE FOUNDATION

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees of The Dean Close Foundation present their Annual Report for the year ended 31st August 2022 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

DIRECTORS' REPORT

COUNCIL AND CHARITY TRUSTEES

Organisation

The Members of the Company, known as the Council, (details as disclosed on pages 1 and 2) are responsible for the election of the Directors, who are referred to throughout this report as the Trustees. The Members also receive the Annual Report and Accounts at the AGM each year. The Foundation's constitution provides for up to fifteen Trustees, drawn from the Council, who retire by rotation after four years and are eligible to serve up to a maximum of three terms of four years.

The Trustees determine the Charity's strategic direction and monitor its operational performance closely, providing the Warden, Bursar, Heads and Senior Leadership Teams with direction, leadership and support as appropriate. The Board meets four times each year. The work of overseeing the implementation of Board policies and decisions is carried out in large part by the Finance and General Purposes Committee (F&GPC) which meets at least six times per year. Specifically, the F&GPC scrutinises all budgets, management and statutory accounts, business plans and major capital proposals, before these are submitted to the Board for approval.

Following the annual review of Governance, it was agreed to retain the existing committee structure.

The F&GPC as detailed above with the other principal Board committees are:

- the Foundation Estates Planning Committee, which meets at least every 2 months to discuss the longer-term strategy for the estate and management of larger capital projects.
- the Curriculum Development Committee, which offers strategic guidance on future academic developments within the Foundation and across the schools.
- the Remuneration Committee, which sets the salary and emoluments for the Warden, Bursar, Heads and Senior Leadership Teams.
- the Nominations Committee, which is responsible for succession planning for both the Council of Members and Board of Trustees.
- the Health and Safety Committee, which meets termly with Board representation.
- the Safeguarding Committee, which meets at least termly with Board representation.
- the Concessions Working Party, which meets at least twice each year to scrutinise policies and resourcing of scholarship and bursary awards and other concessions.
- the Development Board, which meets termly with Board representation, and is responsible for oversight of fund-raising and other development plans.

The day-to-day leadership and management of the Foundation is delegated to the following:

Warden	Mrs E L C Taylor
Head, Dean Close Senior School	Mr B Salisbury
Head, Dean Close Preparatory School	Mr P Moss
Head, Dean Close Pre-Preparatory School	Dr C A Shelley
Head, Dean Close St John's School	Mr N Thrower
Head, Dean Close Airthrie School	Mr J Dobbie
Bursar and Clerk to the Trustees	Mr A P Bowcher

Charity Governance Code

The Trustees have taken note of the seven principles set out within the Code and recommended practice. Whilst the Charity has not as yet, formally adopted the Code, Trustees apply the Code's recommended practices and more detailed information as to how this has been done is included within this Annual Report.

Stakeholder Engagement and Section 172 (1) Statement

The Trustees, as Directors, must act in accordance with a set of general duties. These duties are detailed in section 172 (1) of the Companies Act 2006 which is summarised as follows:

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the Company.'

The Trustees consider that they have fulfilled their duties in accordance with section 172(1) of the Companies Act 2006 and have acted in a way in which is most likely to promote the success of the Foundation for the benefit of its stakeholders as a whole in the following ways:

Pupils

All pupils benefit from the Foundation schools' focus on individual development and on the aim of nurturing each child's strengths and talents within a caring and secure family environment. Pupils are actively encouraged to offer comments and suggestions on the operation of the Foundation through School Councils and a range of other consultative opportunities, and these are considered in decisions made by the Senior Leadership Teams.

The focus on pupil well-being and achievement remained despite some continued impact of the Covid-19 pandemic, and considerable emphasis was placed on providing additional support for those who were most affected by the disruptions caused by the pandemic in the previous school year. The broad, rich offering of the Foundation's Schools was almost fully restored and pupils benefited from the social, cultural, sporting and spiritual activities that were once again offered.

Employees

The Foundation recognises that the qualities and skills of its employees and the commitment of its staff play a major role in its success. Weekly briefings keep staff informed of school wide matters of interest and there are many opportunities for staff training and development. In addition, termly Inset offers opportunities for staff to engage with the wider Foundation strategy and direction and to receive updates from the Warden, Bursar and Trustees.

Staff have many opportunities to offer ideas, raise concerns and comment on the activity of the Foundation through surveys, cluster groups and Common Room representatives. Emphasis this year has been placed on helping to restore staff well-being and resilience post-pandemic, and to enhance opportunities for training and career development.

Stakeholder Engagement and Section 172 (1) Statement (continued)

Parents

The Foundation continues to ensure that it is in regular communication and engages with its parent body, and a weekly summary of news and events is emailed to them from each school. Opportunities for parents to attend fixtures, concerts, drama productions and chapel events were restored during this year, and the full range of Speech Day and prize-giving events took place in the Trinity Term 2022. The Foundation also carried out a number of parental surveys to measure parental satisfaction and to identify areas for celebration and for improvement in the schools' provision. These plans were communicated back to parents by the Heads.

Community

The Foundation is proud of its place within the local and wider community and endeavours to offer support and collaboration where possible by making available many of its facilities at below commercial rates. It also invites local schools to participate in specific sports and other events and to share various facilities. Dean Close School is a founding member of the Cheltenham Education Partnership, which includes 11 secondary schools in Cheltenham, with the aim of improving outcomes for all young people of secondary age in the area. The School is also a founding member of the Independent Schools' Christian Alliance, working with other schools across the country who share a similar ethos, and has partnerships with schools in Uganda and Chengdu, China, with the aim of improving pupil outcomes both for Dean Close pupils and those of the partner schools.

Recruitment and Remuneration of Senior Management

Remuneration of senior employees is set by the Remuneration Committee, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the Foundation's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the Foundation remains sensitive to the broader issues of pay and employment conditions elsewhere. The Foundation aims to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the Foundation's charitable vision and purpose is primarily dependent on its key management personnel and staff costs are the largest element of expenditure.

Recruitment and Training of Trustees

The Nominations Committee makes recommendations for the appointment of Members and Trustees. Candidates are selected with regard to their availability, eligibility, commitment, specialist skills and Christian standing, and are appointed at a General Meeting of the Members. All new Members receive an induction pack of relevant documents outlining their responsibilities and attend an induction workshop conducted by the Chairman, Warden and Bursar, at which the Foundation's organisation and policy are discussed and the responsibilities and duties of Members and Trustees are fully explained. New Trustees also receive induction training provided by either the Foundation's solicitors or an independent external body.

Trustees attend a range of external training days on a schedule kept by the Bursar. Additionally, Trustees receive briefings from the Bursar and one Board meeting per year is primarily devoted to training on governance issues and matters of current concern. Increasingly on line training is undertaken.

Legal Structure of the Foundation and Definition

The Charity has two wholly-owned non-charitable subsidiaries, Dean Close Services Limited (DCSL) and Dean Close Nurseries Limited (DCNL). The results of the subsidiaries are included in Note 3 of the Financial Statements. The annual profits of both subsidiaries are donated to the Foundation under the Gift Aid Scheme. The trading activities of the subsidiaries comprise letting of the Foundation facilities when not in use by the Foundation, the provision of courses, revenue from the Foundation shops and the operation of day nurseries. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report. When this report refers to 'Group', it means the combined finances of the Charity (The Dean Close Foundation) and its two subsidiaries, DCSL and DCNL.

OBJECTS, AIMS AND OBJECTIVES

When reviewing the aims and objectives of the Foundation and in planning its future activities the Trustees consider, in particular, its charitable objectives and Strategic Plan.

Charitable Objects

The Charity's Objects, as set out in its Articles, are the advancement of education, including the provision of schooling for children based firmly upon Christian evangelical principles and the provision of assistance with the resources available to the Foundation for the education of children with parents of limited resources. The Charity also has various restricted reserves enabling it to award modest scholarships, bursaries and prizes, as well as a number of un-endowed trust funds held for special purposes in connection with the development of the Foundation's facilities.

Mission statement

The Charity's mission is to provide the necessary education and appropriate training to enable children and young people to flourish and to achieve their potential as individuals, and thereby to ensure that as adults they will be confident and successful members of society and effective contributors to it.

Intended impact

Within its charitable objects, the Charity's intention is to provide first class childcare in its nurseries and a first-class education through strong academic tuition and by developing broader skills that enable every pupil to realise his or her potential to the full. This involves emphasis on co-curricular activities through academic, sporting, artistic, team building and social skills, as well as encouraging spiritual awareness and self-reflection. This approach builds self-confidence and life skills in the Foundation's pupils and inculcates a desire to learn and a willingness to contribute to the wider community whilst at school and in later life. The Charity believes that the true impact of education can only be measured over the long term in the contribution alumni make to their communities. It endeavours to measure this impact by staying in close contact with alumni, conducting regular surveys of their activities and contributions to society.

Aims

The aim of the Charity is to provide high-quality education and care for day and boarding pupils from Nursery (age approximately 6 months) to Upper Sixth level (18/19 years). During the year under review, this was carried out by 6 nurseries and 5 schools operating in Cheltenham, Gloucester, Chepstow and Newport. The nurseries and schools are overseen jointly by the Trustees, through the Warden and Bursar.

Most of the children from Dean Close Preparatory School enter the Senior School and the vast majority of those leaving the School after A Levels have historically sought entry to universities and other higher education establishments. Pupils from Dean Close St John's School (at 13) and Dean Close Airthrie School (at 11) enter a variety of different senior schools, including Dean Close Senior School. In addition to the academic life of the Schools, pupils' co-curricular activities include an extensive range of musical, dramatic and artistic activities as well as sports training, with many teams achieving success at county and national level. The needs of the wider community are addressed through an imaginative and wide-ranging Community Action and Partnerships programme and the Foundation makes many of its facilities available to the community and to local charities at reduced rates.

Christianity is at the heart of the Charity both in its aim and values and in practice, in regular formal services and voluntary Christian Union groups, bible study classes and an active Chaplaincy. The Foundation's educational policy is built upon its Christian principles and Trustees aim to ensure that pupils of all faiths and none, are encouraged to consider their own response to questions of faith based upon a clear understanding of the Christian message. The Charity has defined its aim and values, based on the principles of biblical Christianity, and these are embedded in every aspect of its activities. The overarching aim is Flourishing, and the three key values are Courage, Love and Contribution.

The Charity aims to maintain a warm family atmosphere and a very high standard of pastoral care for all members of its community.

Objectives

- To make excellent provision for teaching and learning, ensuring that the curriculum is giving an outstanding preparation for life after school.
- To continue to improve the quality of the Foundation's facilities.
- To recruit, retain and develop excellent staff, both teaching and non-teaching.
- To maintain a broad and appropriate range and variety of co-curricular activities for all children and young people and to promote and develop sporting, musical, dramatic and artistic achievement, and spiritual awareness, across the Foundation.
- To sustain pupil recruitment in the face of ongoing difficult economic circumstances and to continue to widen access to Dean Close by the provision of means-tested assistance both for new applicants and in hardship cases affecting existing pupils.
- To develop further the Charity's commitment to partnerships, locally, nationally and internationally.

Strategies to achieve the Objectives

- Recruitment, induction, appraisal, mentoring and training of staff to ensure they are providing the very best quality of experience for children and young people, inside and outside the classroom.
- Constant review and innovation within the curriculum and co-curriculum, ensuring the needs of children and young people are met with a keen eye on the future requirements of universities, employment and wider society.
- Employment of highly qualified, specialist staff to maintain standards of sport, music, and drama.
- Continued investment in Foundation facilities through ongoing maintenance and through selected refurbishment and enhancement of facilities, particularly in boarding.
- Fundraising to support three key areas of development: campus, community and curriculum.

The aims and objectives set for the Charity's subsidiaries are to donate profits to facilitate the achievement of the Charity's aims and objectives as above.

EMPLOYEE INFORMATION

Online resources via a policy portal is in place for members of the teaching and support staff; a number of important measures, including the development of a universal appraisal system, have been introduced for members of the Charity's support staff. Considerable time and effort is expended in ensuring that all members of staff are kept fully informed about new developments and in addressing questions and any concerns.

A significant amount of staff time is devoted to ensuring that the Charity's policies are fully compliant with current legislation and best practice. The Charity seeks to work with all employees, taking into account their personal circumstances, to ensure that appropriate training, development and advancement opportunities are available to enable them to reach their full potential. The Charity is committed to a policy of equal opportunity in employment. The aim of the policy is to ensure that:

- selection criteria and procedures are in place to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.
- no job applicant or employee receives less favourable treatment on the grounds of their gender, gender reassignment, marriage or civil partnership, pregnancy and maternity, sexual orientation, disability, race, colour, ethnic background, nationality, religion or belief or age.
- no employee suffers harassment or intimidation.

DISABLED PERSONS

The Charity will employ disabled persons when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are the Directors of The Dean Close Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

STRATEGIC REPORT

Principal risks and other matters of strategic importance

The Board of Trustees is responsible for the management of the strategic risks faced by the Charity. Detailed consideration of risks is delegated to the Finance and General Purposes Committee, assisted by the Warden and Bursar. Risks are identified and assessed and controls are implemented and monitored regularly. The Charity's Risk Model is reviewed and updated on a termly basis by the Warden and Bursar with Trustee input and overview and then presented to the Finance and General Purposes Committee for approval.

The key risk controls used by the Charity include:

- maintenance of a comprehensive Risk Register.
- formal agendas and minutes for all Committee and Board meetings.
- detailed Terms of Reference for all Committees, which are regularly reviewed.
- comprehensive strategic planning, budgeting and management accounting procedures.
- a well-established organisational structure and clear lines of reporting.
- a comprehensive range of formal, written policies.
- clear authorisation and approval levels.
- vetting procedures as required by law.

Through its risk management processes, the Board has concluded that the major risks currently confronting the Charity are:

- the generation of insufficient surplus to fund the objectives of the Strategic Plan.
- a downturn in the demand for independent education driven by economic conditions both nationally and internationally, and current parental affordability concerns.
- increased cost caused by changes in Government policy.

The Board is satisfied that all major risks identified have been adequately mitigated where necessary and possible. It is recognised that such systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. The diversification of income streams that Dean Close Nurseries Limited and Dean Close Services Limited bring to the Group will continue to ultimately reduce risk in the longer term.

Results for the year

Total full-time equivalent pupil numbers across all Dean Close schools for the year were 1,149 and on a like-for-like basis were almost identical to those of the previous year.

The consolidated surplus for the year before financing costs, investment losses, depreciation and amortisation of goodwill was £1.76m (2021 £1.83m). This result was ahead of budget, despite the significant headwinds brought about by an exceptional global spike in energy prices. Total incoming resources increased by £2.8m (11%) driven by a mixture of an increase in school fee income, which includes a full years income for Dean Close Airthrie School, together with an increase in turnover for both Dean Close Services Limited (aided by the easing of COVID restrictions) and Dean Close Nurseries Limited (primarily through organic growth and the opening of a new nursery on the Airthrie site). Total expenditure increased by £3.1m (12.5%) which included an increase of £0.6m in energy costs. During the year, as part of its cost control review, the Foundation concluded a consultation process with existing members of the Teachers' Pension Scheme (TPS) which resulted in teachers having the option to remain in the TPS or join an AVIVA Pension Scheme (APTIS). Approximately 10% of teachers opted out of the TPS. The new arrangements provide the Foundation with more cost certainty.

Capital investment during the year totalled £1.5m. This included significant investment in upgrade and refurbishment works to a number of boarding houses and general facilities across the whole campus, and the refurbishment of the swimming pool on the Cheltenham site.

There has been little movement within the Balance Sheet compared to the previous year and the Trustees are satisfied with the overall financial position of the Foundation.

Review of achievement and performance for the year

The achievements of the Charity and its constituent schools and nurseries need to be understood in the context of the impact of Covid 19, which continued to restrict activities in the early part of the academic year and which curtailed the movement of international pupils in particular.

The schools built on the considerable technological advances made during the pandemic, with enhanced infrastructure to support pupils' learning in innovative and flexible ways.

Infrastructure and facilities improvements continued, including the opening of the '1886 Centre' at Dean Close School, a significant refurbishment of the original 19th century teaching facilities to provide outstanding modern facilities for the teaching of Maths, Economics and Business Studies.

At Dean Close School, those taking public examinations performed exceptionally well in the first year of externally assessed examinations since 2019. The School met its targets of 80% A*-B grades at A level and of 60% 9-7 grades at GCSE (actual outcome 62%). The majority of Upper Sixth Leavers progressed to their first or second choice of university and course.

The academic progress of all pupils was reviewed in Michaelmas 2021 with a particular focus on where catch-up might be required as a result of the pandemic. Pupil progress across all schools was strong.

Opportunities to take part in sporting competitions were fully restored and the senior teams performed particularly strongly. The U18 Girls Hockey team were runners up in the Tier One England Hockey Competition, after an undefeated season, while the U16 Boys' Hockey team won the Tier Two England Hockey Competition. The U13 Girls Hockey Team at DCPS reached the semi-finals of the West of England Hockey Competition and the boys of St John's joined those of DCPS for the hockey season.

6 pupils were selected for international competition in three sports, hockey, rugby and equestrianism. Girls' cricket continued to grow in size and scope, and additional support was put in place through physiotherapy and a programme with Podium Analytics aimed at reducing injuries in youth sport.

A variety of drama productions took place during the year, including a production of 'Beasts and Beauties' by the Lower School at DCS, 'Peter Pan' at DCPS and 'Matilda' at DCSJ.

Review of achievement and performance for the year (continued)

A series of outstanding concerts took place across the Schools, including a joint Foundation performance of Alexander L'Estrange's work 'Zimbe' at Tewkesbury Abbey, involving members of all the schools as well as the Dean Close Choral Society. A 'Celebration of Music across the Schools', hosted at DCPS, featured soloists and groups from across the Foundation, including the 'Singing Squirrels' from DCPPS.

'Earth Day' was also celebrated across the schools, with every pupil involved in activities focused on sustainability and the environment, culminating in a 'Colour Run'.

The 'Foundation Stones' values continued to be embedded across all the Schools and nurseries during the year, with reward systems to promote the Aim and Values of Flourishing, Courage, Love and Contribution, as well as assemblies, PSHCE lessons and tutorials focusing on their development.

All the Schools held full scale Speech Days and prize-giving celebrations at the end of the Trinity Term, enabling the important transitions for leavers in the Upper Sixth, Year 8 and Year 2 to be marked, and the opportunity to acknowledge and celebrate the successes of all pupils in every area of school life. Once again prizes were awarded for those exemplifying the Dean Close Foundation Stones values in each school.

The Charity's partnership work continued and was strengthened during the year, particularly in the Cheltenham Education Partnership work with other secondary schools in Cheltenham. Staff and pupils took part in a number of collaborative activities throughout the year.

In March 2022 Dean Close School received a follow up visit from ISI after its inspection in April 2021 of the school's red-list quarantine arrangements. All standards were found to be met, and the inspectors commented that 'The school's leadership and management demonstrate good skills and knowledge and fulfil their responsibilities effectively so that the independent school standards are met consistently.' At Little Trees Hucclecote Nursery, an Ofsted visit in January 2022 delivered a rating of good which was an improvement on an earlier inspection in August 2021.

Energy and emissions report

During the year the Foundation took the following energy efficiency actions.

- Approval of new Estate Compliance Strategy which will formalise and enhance programs to reduce emission and waste across all estate areas of responsibility over future years.

  The Strategy includes:
  - rollout of LED conversions and replacements across all sites
  - investment in insulation across all sites
  - replacement of boilers in a prioritised order based on waste and emissions
  - research into solar, photovoltaic and composting technologies

A summary of key data is as follows:

	2022	2021
UK energy use (kWh)	**8,473,380**	8,165,172
Associated Greenhouse gas emissions (Tonnes CO2 equivalent)	**1,576**	1,554
Intensity ratio (Emissions per FTE)	**3.4**	3.7

UK energy use covers the use of natural gas for heating and cooking and electricity for heating and lighting across all entities of the Dean Close Foundation. Associated greenhouse gases have been calculated using the Gov.uk 2022 conversion tables using 0.18397 per kWh for natural gas and 0.19338 per kWh of electricity in each reporting year. The increase in energy use compared with 2021 is due to the full re-opening of all school sites following the COVID lockdown.

Grant-making policy

Trustees are committed to broadening access to Dean Close schools by offering means-tested bursaries based on an assessment of financial need to pupils whose parents/guardians are unable to pay the full fees.

This year, the value of means-tested bursaries, clergy and Armed Services awards and other concessionary fees was £3.06m (2021: £3.06m), with a further £1.26m (2021: £1.3m) awarded in the form of scholarships and exhibitions. The Foundation's policy is to widen access to Dean Close to all sectors of the community by providing means-tested assistance with up to 100% of school fees for deserving children and to relieve hardship where an existing pupil's education and future prospects may otherwise be at risk. Fundraising continues to provide major awards, known as Foundation Awards and the school is extremely grateful to and thanks donors for their support.

Scholarships were made available to entrants aged 11, 13 and 16 for outstanding ability in academic work, music, art, sport and drama. Such awards are generally limited to a maximum of 20% of the school fees for any individual. Minor awards were also extended to a small number of children entering the Preparatory School at age 7.

Fundraising performance

Donations, gifts and legacies totalled £198,434 in the year (2021: £578,950) and these were almost exclusively credited to restricted funds. Further details concerning restricted donations are included in Note 18b to the Financial Statements. The majority of the donations have been for Foundation Awards (transformational bursaries). The Trustees wish to record their thanks for the many kind and generous donations received throughout the year, without which this and other initiatives would have either been delayed or not been possible.

Fundraising is overseen by the Development Committee which is chaired by a Trustee and includes other Trustees. The Development department carries out day to day fundraising tasks assisted by an external Consultant. Particular attention continues to be given to the management of data and the protection of vulnerable people. The Foundation has had no complaints about its fundraising activities this year.

Investment powers, policy and performance

The Trustees' powers for the investment of its corporate funds are set out in the Articles of Association and are, subject to statutory requirements, broadly equivalent to those of an individual beneficial owner. For the investment of the trust funds that it administers, the Foundation is subject to the Trustee Act 2000.

The Trustees' policy is to obtain a return of capital gain and reinvested dividends on the invested funds at a suitable benchmark, thereby enhancing the Foundation's ability to provide scholarships, bursaries and prizes in future years and preserving the capital value of the underlying investments.

The Charity's investment portfolio is managed on a discretionary basis under an agreed set of investment parameters that are stated in the Foundation's Investment Policy. Portfolio performance is reported termly against an agreed benchmark and the Foundation's Investment Manager provides six-monthly briefings to the Finance and General Purpose Committee which include detailed analysis of the portfolio's performance, overviews of market conditions and his strategic approach to obtaining an optimal return on the Charity's investments.

At the year end the Group's long term investments totalled £3.09m (2021: £3.38m). The reduction in value compared with the previous year was 8.6% which reflected the difficult and challenging year for world stock markets.

Reserves level and policy

The Charity's policy is to invest in premises and equipment to support the business and education requirements of the Charity, while ensuring adequate financing of day-to-day operational needs and the maintenance of adequate reserves to meet any contingencies as they arise. Therefore, retained surpluses are not held as free reserves, but are normally utilised for improvements to the Charity's facilities. This policy is supported by external financing as and when necessary which is allocated to specific capital projects.

The Group's total reserves of £17.56m (2021: £18.04m) at the year end included £0.51m (2021: £0.53m) endowment capital, £0.38m (2021: £0.76m) unspent restricted funds and £16.67m (2021: £16.75m) unrestricted funds. £24.59m (2021: £25.35m) of this represented the net book value of fixed assets less associated long term funding arrangements, leaving negative free reserves of £7.9m (2021: negative £8.6m) at the year end.

Resources

The Charity has at its disposal unrestricted funds which are invested by Rathbone Investment Management in a broad portfolio of bonds, equities and cash, as disclosed in note 11.

The Charity has a main bank overdraft facility of £3m to service working capital requirements. The bank loan facility has been utilised as planned to provide funding to deliver ongoing capital developments which form part of the overall Strategic Plan. The Charity's corporate and trust funds all have sufficient realisable assets appropriate to meet their respective obligations.

FUTURE PLANS OF THE DEAN CLOSE FOUNDATION

The Charity's Strategic Plan sets out the Dean Close values, vision and ethos. The Plan is built around four pillars:

- Educational excellence;
- Financial sustainability;
- Employee engagement;
- Partnership collaboration.

Around these pillars, the plan establishes medium to long-term aims, which are:

- To cement and sustain the Foundation's strong academic reputation while avoiding selection based on academic grounds alone;
- To remain a flourishing, co-educational community for families, with excellent boarding and day facilities and excellent childcare support in its nurseries;
- To continue to develop excellent relationships with parents and families and to provide the highest possible standards of pastoral and tutorial support;
- To sustain a reputation for excellence in the creative and performing arts and in sport;
- To continue to develop the work of the Chaplain and the chaplaincy team, developing young Christian leaders and promoting spiritual development;
- To maintain and increase pupil numbers throughout the Foundation, particularly at Dean Close St John's School and in boarding;
- To continue the growth in earnings of Dean Close Services Limited and Dean Close Nurseries Limited, in order to invest those earnings in facilities across the Foundation;
- To be excellent employers; recruiting, training and developing outstanding staff;
- To develop and sustain partnerships with other organisations, locally, nationally and internationally; and
- To continue to develop community access to the Foundation's facilities and to widen access to independent education through the provision and active promotion of means-tested bursaries.

The Development Board oversees fundraising activity towards our three major campaign objectives; campus, community and curriculum:

- Campus – to renew the academic heart of Dean Close School, creating innovative and exciting teaching spaces with an emphasis on preparation for modern working life.
- Community – to establish a long term endowment supporting Foundation Awards, which are transformational bursaries for deserving and talented pupils.
- Curriculum – to establish a curriculum through all the age groups which emphasises Skills for the Future, including links with industry through parents, alumni and local partners.

FINANCIAL STATEMENTS

The financial statements on pages 22 to 50 have been prepared in accordance with the Charities Statement of Recommended Practice FRS 102.

KEY ITEMS IN THE STATEMENT OF FINANCIAL ACTIVITIES

Restricted income comprises dividend income from investments, rental income and donations. The endowed reserve contains the unamortised portion of the Arts Council Grant made for the construction of the Music School in 1997. The Foundation's non-charitable trading includes the following activities of Dean Close Services Limited: the operation of the Bacon Theatre, lettings of certain parts of the Charity's property to provide access for external groups to sporting, music, drama and other facilities, together with income from the School Shops. The Foundation has continued to develop a range of owned and managed sports and educational offerings including a Residential Language Course at Dean Close St John's School, an Easter Revision course and various Dean Close branded sports camps, which are operated through Dean Close Services Limited. The management of the children's day nurseries is undertaken through Dean Close Nurseries Limited. All surplus income of the trading subsidiaries is used for the purposes of the Charity.

PUBLIC BENEFIT

Direct Public Benefit includes means tested bursaries and grants made to existing and new families. Trustees are committed to broadening access to Dean Close by offering means-tested bursaries to pupils whose parents / guardians are unable to pay the full fees. All bursaries are means-tested annually and have a value of up to 100% of the fees. The Foundation also has a scheme that helps military families with their fees.

Bursaries can range from 5% to 100% of the school fee. On occasions where certain students are selected for certain extracurricular Arts/Drama/Sport trips but where the cost alone precludes their participation we can relieve that financial burden in certain circumstances. The Charity does not have a large endowment and therefore the Trustees are mindful, when bursaries are provided, that there remains a fair balance overall between those benefitting from bursaries and full fee-paying parents, many of whom make significant personal sacrifices to fund their children's education. Fundraising continues to provide an endowment to support Foundation Awards and life-changing bursaries for pupils from families of modest means. Foundationers, supported by donors from the Old Decanian community, former parents and other individuals, continue their education at the senior school and these talented and deserving individuals would never have been able to consider independent schooling without these transformational awards. The Foundation aims to increase the number of Foundationers to 20 over the coming 10 years.

Indirect Public Benefit includes the use of facilities such as the Bacon Theatre and sports facilities which, from time to time, are let on a reduced cost to local groups or groups where their educational or artistic value is highly regarded in educational terms. The Foundation also invites local preparatory schools, junior schools and nurseries to benefit from Forest School, and from events such as sports skills days, choral and orchestral days, and science days. Local children also have the opportunity to attend theatre workshops and plays. Facilities are also made available to educational groups, and have, for example, hosted at no charge Gloucestershire Early Years meetings in the Pre-Prep hall with teachers from schools across Cheltenham.

The Trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

PARTNERSHIPS

Partnership activity in the Dean Close Foundation operates on four levels: locally, regionally, nationally and internationally. Locally, it has many partnerships with primary schools and their pupils attended concerts, plays, Sports Skills and Community Action days, and Forest School at DCSJ, DCPS and DCS or hosted assemblies led by DCS pupils. The Cheltenham Education Partnership (CEP), of which Dean Close is a Founder Member, has continued to gain momentum despite the recent pandemic. There are many regional partnership links in Gloucestershire and the South West for sport, business, chaplaincy and music. National links are with academic organisations, the Choir Schools' Association, and TISCA. Finally, international partnerships have been disrupted but the Foundation remains committed to schools in Uganda and China. Fundraising to support Nyakatukura Memorial Secondary School in Uganda continued during the year, and the School hosted a visit by the Bishop of North East Ankole in June 2022.

AUDITOR

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Annual Report of the Trustees and incorporated Strategic Report were approved by the Board on 3 December 2022 and signed on its behalf by

Kathryn Carden
Chairman of Trustees

THE DEAN CLOSE FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION

Opinion

We have audited the financial statements of The Dean Close Foundation for the year ended 31 August 2022 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and 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 the 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 for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

- the parent company has not kept adequate accounting records; or
- the parent 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

As explained more fully in the trustees' responsibilities statement on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of certain income streams which includes, nursery fees, bursaries, scholarships and allowances, legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the bursar and the Finance & General Purpose Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over certain income streams listed above, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION (CONTINUED)

Use of our report

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

Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

Date: 2 February 2023

THE DEAN CLOSE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022 (Incorporating a consolidated Income and Expenditure account)

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowed funds 2022 £	Total 2022 £	Total 2021 £
Income from:						
Charitable activities						
School fees receivable	2	**22,532,816**	-	-	**22,532,816**	20,067,790
Ancillary trading income	4	**289,940**	-	-	**289,940**	261,817
Government grant income		-	-	-	-	231,398
Other trading activities						
Non-ancillary trading income	3	**4,946,671**	-	-	**4,946,671**	4,037,285
Investments						
Investment income	11(c)	**68,704**	**35,825**	-	**104,529**	99,495
Bank and other interest		**13,355**	-	-	**13,355**	18,699
Voluntary sources						
Grants and donations		**49**	**198,385**	-	**198,434**	578,950
Total incoming resources		**27,851,535**	**234,210**	-	**28,085,745**	25,295,434
Expenditure on:						
Raising funds						
Non-ancillary trading	3	**4,039,683**	-	-	**4,039,683**	3,274,058
Financing costs		**356,330**	-	-	**356,330**	284,242
Investment management		**22,690**	**723**		**23,413**	22,004
Fundraising and development		**117,952**	-	-	**117,952**	76,073
Total deductible costs	7	**4,536,655**	**723**	-	**4,537,378**	3,656,377
Charitable activities						
Education and grant making		**23,588,453**	**102,055**	-	**23,690,508**	21,427,899
Total expenditure	7	**28,125,108**	**102,778**	-	**28,227,886**	25,084,276
Net (outgoing)/incoming funds from operations before transfers and investment gains		**(273,573)**	**131,432**	-	**(142,141)**	211,158
(Losses)/gains on investments		**(330,460)**	**(10,525)**	-	**(340,985)**	477,101
Transfers between funds		**522,786**	**(503,135)**	**(19,651)**	-	-
Net movement in funds		**(81,247)**	**(382,228)**	**(19,651)**	**(483,126)**	688,259
Fund balances at 1 September 2021		**16,753,380**	**759,346**	**530,587**	**18,043,313**	17,355,054
Fund balances at 31 August 2022	18	**16,672,133**	**377,118**	**510,936**	**17,560,187**	18,043,313

The notes on pages 25 to 50 form part of these financial statements.

THE DEAN CLOSE FOUNDATION

FOUNDATION AND CONSOLIDATED BALANCE SHEETS AS AT 31 AUGUST 2022
REGISTERED NUMBER: 04193948

	Notes	**Group 2022 £**	Group 2021 £	**Foundation 2022 £**	Foundation 2021 £
Fixed assets					
Intangible	8	**554,441**	665,329	**-**	-
Negative goodwill	9	**(60,809)**	(76,670)	**(60,809)**	(76,670)
Tangible	10	**31,863,321**	31,969,783	**31,621,877**	31,755,723
Investments	11	**3,088,732**	3,381,739	**4,719,121**	5,123,016
		35,445,685	35,940,181	**36,280,189**	36,802,069
Current assets					
Stocks		**137,121**	120,031	**14,239**	12,814
Debtors	12	**1,657,162**	1,606,685	**1,486,017**	1,448,419
Cash at bank and in hand		**84,724**	74,293	**28,659**	45,088
		1,879,007	1,801,009	**1,528,915**	1,506,321
Current liabilities					
Creditors payable within one year	13	**(9,493,118)**	(9,634,753)	**(10,046,065)**	(10,209,902)
Net current liabilities		**(7,614,111)**	(7,833,744)	**(8,517,150)**	(8,703,581)
Total assets less current liabilities		**27,831,574**	28,106,437	**27,763,039**	28,098,488
Long term liabilities					
Creditors payable after one year	14	**(10,271,387)**	(10,063,124)	**(10,210,802)**	(10,063,124)
Net assets		**17,560,187**	18,043,313	**17,552,237**	18,035,364
Financed by:					
Endowed funds	18a	**510,936**	530,587	**510,936**	530,587
Restricted funds	18b	**377,118**	759,346	**377,118**	759,346
Unrestricted funds	18c	**16,672,133**	16,753,380	**16,664,183**	16,745,431
Total funds	18	**17,560,187**	18,043,313	**17,552,237**	18,035,364

The net result for the financial year dealt with in the financial statements of the parent charity was a deficit of £483,126 (2021: surplus £688,259). The financial statements were approved and authorised for issue by the Board of The Dean Close Foundation on 3 December 2022 and signed on its behalf by:

- Kathryn Carden
  Chairman

- Matthew Smith
  Treasurer

The notes on pages 25 to 50 form part of these financial statements.

THE DEAN CLOSE FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Group 2022 £	Group 2021 £
Reconciliation of net (outgoing)/incoming resources to net cash inflow from operating activities			
Net (outgoing)/incoming funds from operations		**(142,141)**	211,158
Elimination of non-operating cashflows:			
Investment income		**(117,884)**	(118,194)
Finance costs		**356,330**	284,242
Depreciation charge	10	**1,455,378**	1,221,737
(Profit)/loss on disposal of assets	5	**(81,867)**	3,160
Amortisation of goodwill on acquisition	8	**110,888**	110,888
Amortisation of negative goodwill on acquisition	9	**(15,861)**	(2,643)
Negative goodwill gain on acquisition		**-**	79,313
(Increase)/decrease in stock		**(17,090)**	15,398
(Increase)/decrease in debtors		**(50,477)**	29,193
(Decrease)/increase in creditors (excluding fees in advance and deposits and composition fees)		**(1,006,335)**	1,081,941
Increase in fees in advance, deposits and composition fees		**680,254**	882,038
Net cash inflow from operations		**1,171,195**	3,798,231
Cash flows used in investing activities			
Purchase of tangible fixed assets	10	**(1,485,195)**	(5,144,672)
Proceeds from sale of tangible fixed assets		**218,146**	11,571
Additions to investment portfolio		**(47,978)**	(41,892)
Investment income and bank interest received		**117,884**	118,194
Net cash used in investing activities		**(1,197,143)**	(5,056,799)
Cash flows provided by financing activities			
Finance costs paid		**(356,330)**	(284,242)
New bank loan		**750,000**	-
New other loan		**-**	1,821,376
New finance lease and hire purchase contracts		**248,561**	
Repayment of secured loans		**(627,673)**	-
Repayment of other loan		**(100,000)**	-
Repayment of finance lease and hire purchase contracts		**(78,640)**	-
Net cash (used)/provided by financing activities		**(164,082)**	1,537,134
Change in cash and cash equivalents in the year		**(190,030)**	278,566
Cash and cash equivalents at the beginning of the year		**54,492**	(224,074)
Cash and cash equivalents at the end of the year		**(135,538)**	54,492
Analysis of cash and cash equivalents			
Cash at bank		**84,724**	74,293
Bank overdrafts	13	**(220,262)**	(19,801)
		(135,538)	54,492

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

1 STATEMENT OF ACCOUNTING POLICIES

(a) Charity information

The Dean Close Foundation is a charitable company limited by guarantee incorporated in England (charity number 1086829 and company number 04193948) and is a Public Benefit Entity operating from its registered office Shelburne Road, Cheltenham, GL51 6HE.

(b) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (2nd edition effective 1 January 2019). The financial statements have been prepared on the historical cost basis of accounting, as modified by the revaluation of investments, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities SORP (FRS 102) and the accounting policies set out below.

The functional currency of the Foundation is considered to be GBP because that is the currency of the primary economic environment in which the Foundation operates.

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity-only Cash Flow Statement within the consolidated financial statements.

No separate Statement of Financial Activities has been presented for the Foundation alone, as permitted by Section 408 of the Companies Act 2006. The net results of the parent Charity are disclosed on page 23.

Going Concern

As part of the Trustee's responsibilities of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of scenarios have been considered. The assumptions modelled are based on the current economic climate. The most severe risk identified is a downturn in pupil numbers and the impact that this would have on the Foundation's cash flow. In this event, the Trustees measured response would be to place a moratorium on all but essential capital expenditure, to make further cost savings where appropriate to do so and if necessary to liquidate investments held as detailed in note 11 in order to enable the Foundation to operate within its current or increased borrowing facilities.

On the basis of this review, these financial statements have been prepared on a Going Concern basis, which the Trustees consider to be appropriate based on the results for the year ending 31 August 2022 and cash flow projections prepared for the period 31 August 2023 and beyond. The cash flow projections indicate that the Group will be able to meet its liabilities as they fall due and will be able to operate within the facilities currently available. The Trustees consider that there are no material uncertainties over the Foundation's financial viability.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Judgments in applying Accounting Policies and Key Sources of Estimation Uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgments have been made include the following:

(i) Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charge for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 8, 9 and 10 for the carrying amount of the assets and notes 1(i), (j) and (k) for the useful lives for each class of assets.

(ii) Impairment of investments

When assessing impairment of the investments, management considers factors including the financial results, future outlook, net assets and market value of each investment. See note 11 for the net carrying amount of investments.

(iii) Impairment of debtors

The group makes an estimate of the recoverable value of trade and fee debtors. When assessing impairment of trade and fee debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors.

(c) Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of The Dean Close Foundation and its subsidiary Companies, Dean Close Services Limited, Dean Close Nurseries Limited and Dean Close General Charitable Trust and certain Scholarship Funds made up to 31 August 2022. Dean Close Services Limited manages and lets property on behalf of the Foundation and operates the School shops and the Bacon Theatre. Dean Close Nurseries Limited operated six children's day nurseries during the year under review. The trade, assets and liabilities of Nursery Childcare Services (UK) Limited were transferred directly to Dean Close Nurseries Limited on 1 September 2017 and Nursery Childcare Services (UK) Limited has not traded since this date. On 28 April 2020, an application was made to dissolve Nursery Childcare Services (UK) Limited and the company was duly dissolved on 6 October 2020. All intra group sales and profits are eliminated fully on consolidation.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(d) Incoming resources

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. School fee income represents fees receivable, including additional charges, less concessions.

Amounts received under the School's Advance Fee Scheme contracts for education not yet utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided with 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

Non-charitable trading

Income from non-charitable trading represents the turnover from the trading activities of the subsidiary companies, Dean Close Services Limited and Dean Close Nurseries Limited and is recognised when the company has earnt entitlement to the revenues.

Investment Income

Dividend income is accounted for at the date on which the Charity has entitlement to the dividend. Interest on bank balances and fixed income securities are accounted for in the period in which interest is earned.

(e) Government grants: Job Retention Scheme

Income from Government grants, whether "capital" grants or "revenue" grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlement occurs before income is received, the income is accrued. Where income is received in advance of the Group having entitlement to the funds, the income is deferred.

The total amount of Government grants received totalled £Nil (2021: £231,398) and there are no unfulfilled conditions associated with this grant. The company has not received any other forms of Government assistance.

(f) Donations

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and economic benefit to the Charity is considered probable. Donations receivable for the general purposes of the Charity are credited to "other unrestricted funds", to distinguish them from direct Foundation income. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Trustees. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or of the value to the Foundation in the case of donated services or facilities.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

g) Legacies

For residuary legacies, entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Pecuniary legacies are recognised once probate has been granted and notification received and where they can be reliably measured. Receipt of a legacy, in whole or in part, is only considered probable and measurable when the amount can be measured reliably and there are no potential claims against the estate.

(h) Expenditure

Expenditure is accounted for on an accruals basis as soon as a liability is considered probable, discounted to present value for longer term liabilities. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of the Trustees' best estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Cost of generating funds includes all the financing costs of the entity in addition to the costs of the development office and trading expenditure of the subsidiary companies accounted for on an accruals basis.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Trustees, and all the costs of complying with constitutional and statutory requirements, such as the costs of Trustees meetings and of preparing statutory accounts and satisfying public accountability.

(i) Goodwill and amortisation

Goodwill is the difference between the amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities.

Amortisation is provided on goodwill at rates calculated to write off the cost on a straight line basis over its expected useful life as follows:

Goodwill on acquisition of Nursery Childcare Services (UK) Limited	10% on cost

(j) Negative goodwill

Negative goodwill is the difference between the fair value of the assets and liabilities acquired of a business and the amount paid on acquisition.

Negative goodwill is credited to incoming resources on a straight line basis over its expected useful life as follows:

Negative goodwill on Asset Purchase of Airthrie School LLP	20% on valuation

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(k) Fixed assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation. Items costing less than £5,000 are written off as an expense on acquisition.

Depreciation is calculated so that tangible fixed assets are written off over their currently estimated useful lives at annual rates, which are as follows: -

Freehold land	Nil
Freehold property	2% - 6.67% on cost
Plant and equipment	2%/10%/20% on cost
Theatre equipment	10% on cost
Fixtures and fittings	20% on cost
Motor vehicles	20% on cost
School shop equipment	20% on cost
Computer equipment	10% - 25% on cost

Assets under construction are not depreciated until they are brought into use.

(l) Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

(m) Stocks

Stocks are stated in the balance sheet at the lower of cost and net realisable value after making due allowances for obsolete and slow moving stock.

(n) Debtors

Short term debtors are measured at transaction price, less any impairment.

(o) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

(p) Creditors

Short term creditors are measured at the transaction price.

(q) Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities on a reducing balance basis over the lease term.

(r) Taxation

The Dean Close Foundation is a registered charity and is not liable to Corporation Tax or Income Tax on all its income and gains properly applied for its charitable purposes. Dean Close Services Limited and Dean Close Nurseries Limited, trading subsidiaries of the Foundation, are liable to Corporation Tax.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(s) Pension costs

Teaching Staff

The scheme is a multi-employer pension scheme. It is not possible to identify the Charity's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the scheme is accounted for as if it were a defined contribution scheme. The Charity'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 Charity also operates a defined contribution group personal pension plan with AVIVA. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

All pension costs are allocated to unrestricted funds, this being the fund from which wages and salaries are paid.

Non-Teaching Staff

The Charity operates three defined contribution group personal pension plans for its non-teaching staff with Scottish Equitable, Standard Life and AVIVA. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

All pension costs are allocated to unrestricted funds, this being the fund from which wages and salaries are paid.

(t) Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investments in subsidiaries are valued at cost less provision for impairment.

(u) Composition fees

The Charity operates a composition fee scheme for parents. Income arising is treated as general income of the Foundation, out of which provision for future fee liabilities under the scheme is made.

(v) Recognition of liabilities

Liabilities are recognised when the Charity has an obligation to make payment to a third party.

(w) Redundancy

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

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(x) Funds policy

Unrestricted funds are funds that are available for use at the discretion of the Trustees in furtherance of the objects of the Charity.

Designated funds are unrestricted funds which have been set aside by Trustees for specific purposes.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes.

The Charity holds a grant under permanent endowment. Any income arising on the Permanent Endowment Fund is treated as restricted income of the Charity.

Expendable endowment funds represent the expendable endowment of the Charity. The funds are expendable at the discretion of the Trustees.

(y) Financial instruments

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

2 Charitable activities – fees receivable

	2022	2021
	£	£
Fees receivable comprise:		
School fees	**26,760,542**	24,303,928
Allowances		
Bursaries and concessionary fees	**(3,059,556)**	(3,064,527)
Scholarships and exhibition awards	**(1,262,287)**	(1,304,410)
	22,438,699	19,934,991
Add back: Bursaries, scholarships and awards paid for by restricted funds	**94,117**	132,799
	22,532,816	20,067,790

Scholarships, bursaries and exhibition awards paid for out of Restricted funds were £94,117 (2021: £132,799).

3 Income from subsidiary's trading activities

(a) The Charity owns the whole of the ordinary share capital of Dean Close Services Limited (registered number 02627579, registered office Shelburne Road, Cheltenham, GL51 6HE), whose trading activities include the school shops, and management and letting of facilities on behalf of the Charity such as the Bacon Theatre.

The following trading results for the subsidiary are incorporated in the Consolidated Statement of Financial Activities:

	2022 £	2021 £
Turnover	**773,826**	387,122
Cost of sales	**(216,383)**	(141,453)
Gross profit	**557,443**	245,669
Administrative expenses	**(349,965)**	(209,418)
Governance costs	**(2,000)**	(1,850)
Interest payable	**(4,646)**	-
Operating profit	**200,832**	34,401
Donation made under gift aid to the Foundation	**(200,832)**	(34,401)
Retained profit for the financial year	**-**	-
Total assets	**366,844**	322,129
Total liabilities	**238,895**	194,180
Share capital	**120,000**	120,000
Profit and loss account	**7,949**	7,949
Shareholder's funds	**127,949**	127,949

The subsidiary donated taxable profits to the Charity of £200,832 (2021: £34,401) under the Gift Aid Scheme.

Included in administration expenses are £287,442 (2021: £184,710) paid to The Dean Close Foundation. These transactions were eliminated on consolidation. At the year end, £4,371 was owed by The Dean Close Foundation (2021: £14,004).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

3 Income from subsidiary's trading activities (continued)

(b) The Charity owns the whole of the ordinary share capital of Dean Close Nurseries Limited (registered number 09635445, registered office Shelburne Road, Cheltenham, GL51 6HE), whose trading activities during the year under review include the provision of nursery care operating from six sites.

The following trading results for the subsidiary are included in the Consolidated Statement of Financial Activities:

	2022	2021
	£	£
Turnover	**4,172,845**	3,650,163
Operating expenses	**(207,465)**	(165,370)
Gross profit	**3,965,380**	3,484,793
Government grant income	**-**	2,704
Administrative expenses	**(3,255,224)**	(2,752,617)
Governance costs	**(4,000)**	(3,350)
Operating profit	**706,156**	731,530
Donation made under gift aid to the Foundation	**(706,156)**	(731,530)
Retained profit for the financial year	**-**	-
Total assets	**1,075,427**	1,068,832
Total liabilities	**119,478**	112,883
Share capital	**10,000**	10,000
Profit and loss account	**945,949**	945,949
Shareholder's funds	**955,949**	955,949

The subsidiary donated £706,156 (2021: £731,530) taxable profits to the Charity under the Gift Aid Scheme.

Included in administration expenses are £2,530,756 (2021: £2,226,933) paid to The Dean Close Foundation. These transactions were eliminated on consolidation. At the year end, £846,365 (2021: £868,208) was owed by The Dean Close Foundation.

4 Charitable activities - ancillary trading income

	2022 £	2021 £
Registration fees	**29,837**	36,355
Holiday courses	**918**	130,650
Pupils insurance discounts	**1,051**	12,529
Sundry receipts	**136,743**	68,483
School trips and activities	**121,391**	13,800
	289,940	261,817

5 Net incoming/(outgoing) resources

This is stated after charging/(crediting):

	Group 2022 £	Foundation 2022 £	Group 2021 £	Foundation 2021 £
Depreciation of tangible fixed assets				
- Owned	**1,429,402**	**1,375,139**	1,221,737	1,175,416
- Held under hire purchase	**25,976**	**14,429**	-	-
Amortisation of goodwill	**110,888**	**-**	110,888	-
Amortisation of negative goodwill	**(15,861)**	**(15,861)**	(2,643)	(2,643)
Auditor's remuneration:				
- Fees payable for the audit of the financial statements	**30,000**	**24,000**	26,550	21,350
- Tax and other advisory services	**2,500**	**-**	2,000	-
Operating leases:				
- Land and Property	**406,949**	**406,949**	320,919	320,919
Interest payable				
- Under hire purchase	**9,228**	**4,582**	-	-
- Other	**300,338**	**300,338**	254,683	254,683
(Profit)/loss on disposal of tangible fixed assets	**(81,867)**	**(81,867)**	3,160	3,160

6 Staff costs

	2022 £	2021 £
Wages and salaries	**14,602,985**	13,696,790
Social security costs	**1,279,938**	1,178,842
Pension contributions - Teachers' Pension Scheme	**1,521,444**	1,611,620
Pension contributions – other	**180,194**	213,742
Other costs including agency staff	**299,496**	83,740
Total direct costs of employment	**17,884,057**	16,784,734

	2022 £	2021 £
Aggregate employee – benefits of key management personnel	**885,010**	744,300

The average number of staff during the year was:

	2022 Headcount	2021 Headcount
Teaching Staff	**293**	298
Nursery Staff	**138**	134
Administration support:		
Welfare	**88**	82
Premises	**29**	25
Support	**129**	118
Administration of charity	**1**	1
	678	658

The number of higher paid employees was:

	2022 No.	2021 No.
£60,001 - £70,000	**7**	**9**
£70,001 - £80,000	**4**	**2**
£80,001 - £90,000	**1**	**2**
£90,001 - £100,000	**1**	**-**
£100,001 - £110,000	**1**	**1**
£110,001 - £120,000	**1**	**-**
£140,001 - £150,000	**-**	**1**
£160,001 - £170,000	**1**	**-**

In the year, contributions were made for 11 (2021:12) higher paid employees, to the Teachers' Pension Scheme, a defined benefit scheme and contributions were made for 5 (2021: 3) higher paid employee to a defined contribution scheme.

The Trustees received £Nil (2021: £Nil) remuneration during the year.

During the year, there were redundancy or termination payments made which amounted to £58,197 (2021: £82,081). At the year end £23,502 was outstanding (2021: £11,592).

7 (a) Analysis of expenditure

	Staff costs £	Other costs £	Depreciation £	Total 2022 £	Total 2021 £
Costs of generating funds					
Trading costs	**2,831,618**	**1,142,254**	**65,811**	**4,039,683**	3,274,058
Financing costs	**-**	**356,330**	**-**	**356,330**	284,242
Investment management fees	**-**	**23,413**	**-**	**23,413**	22,004
Development costs	**74,414**	**43,538**	**-**	**117,952**	76,073
Total costs of generating funds	**2,906,032**	**1,565,535**	**65,811**	**4,537,378**	3,656,377
Charitable activities					
Education and grant making					
Teaching	**11,180,808**	**762,544**	**-**	**11,943,352**	11,169,136
Welfare	**756,664**	**1,832,477**	**-**	**2,589,141**	2,342,690
Premises	**482,696**	**2,394,948**	**777,535**	**3,655,179**	2,914,216
Support costs and governance	**2,557,857**	**2,238,830**	**612,032**	**5,408,719**	4,869,058
Grants, awards and prizes	**-**	**94,117**	**-**	**94,117**	132,799
Total charitable expenditure	**14,978,025**	**7,322,916**	**1,389,567**	**23,690,508**	21,427,899
Total expended	**17,884,057**	**8,888,451**	**1,455,378**	**28,227,886**	25,084,276

7 (b) Governance included in support costs

	2022 £	2021 £
Remuneration paid to auditor	**30,000**	26,550
Reimbursement of personal expenses to Trustees	**3,967**	735
Other governance costs	**5,332**	5,018
	39,299	32,203

Of the Trustees 6 (2021: 2) received a total of £3,967 (2021: £735) in respect of repayment of travel and accommodation costs and attendance at training and conferences.

8 Intangible fixed assets – Group only

	Total Goodwill £
Cost	
At 1 September 2021 and 31 August 2022	**1,108,881**
Amortisation	
At 1 September 2021	443,552
Charge for the year	110,888
At 31 August 2022	**554,440**
Net book value	
At 31 August 2022	**554,441**
At 31 August 2021	665,329

Goodwill arose from the acquisition of the shares in Nursery Childcare Services (UK) Limited on 1 September 2018, which held two profitable nurseries which were transferred to another group entity.

Goodwill is amortised over the Trustees' estimate of its useful life of 10 years.

9 Negative goodwill – Group and Foundation

	Total Negative Goodwill £
Cost	
At 1 September 2021 and 31 August 2022	**(79,313)**
Amortisation	
At 1 September 2021	2,643
Credit for the year	15,861
At 31 August 2022	**18,504**
Net book value	
At 31 August 2022	**(60,809)**
At 31 August 2021	(76,670)

Negative goodwill arose from the Asset Purchase of Airthrie School LLP on 5 July 2021. These assets were included in the financial statements at fair value together with associated costs and are in respect of tangible fixed assets. The difference between the valuation and purchase price resulted in negative goodwill of £79,313. This sum is being credited back to incoming resources in the Statement of Financial Activities over a 5 year period on a straight line basis.

10 Tangible fixed assets - Group

	Freehold land and property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Total £
Cost					
At 1 September 2021	37,369,001	1,248,046	3,109,087	4,736,690	**46,462,824**
Additions	592,232	-	511,704	381,259	**1,485,195**
Transfers	1,248,046	(1,248,046)	-	-	-
Disposals	(167,724)	-	(196,250)	(314,161)	**(678,135)**
At 31 August 2022	**39,041,555**	**-**	**3,424,541**	**4,803,788**	**47,269,884**
Depreciation					
At 1 September 2021	9,620,999	-	2,022,552	2,849,490	**14,493,041**
Charge for the year	776,363	-	380,084	298,931	**1,455,378**
Disposals	(33,305)	-	(196,250)	(312,301)	**(541,856)**
At 31 August 2022	**10,364,057**	**-**	**2,206,386**	**2,836,120**	**15,406,563**
Net book value					
At 31 August 2022	**28,677,498**	**-**	**1,218,155**	**1,967,668**	**31,863,321**
At 31 August 2021	27,748,002	1,248,046	1,086,535	1,887,200	31,969,783

The net book value of assets held under finance leases or hire purchase contracts included above within Plant and Equipment is £228,973 (2021: £Nil).

Tangible fixed assets – The Dean Close Foundation

	Freehold land and property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Total £
Cost					
At 1 September 2021	37,369,001	1,248,046	2,888,452	4,526,648	**46,032,147**
Additions	592,232	-	438,202	361,567	**1,392,001**
Transfers	1,248,046	(1,248,046)	-	-	-
Disposals	(167,724)	-	(196,250)	(314,161)	**(678,135)**
At 31 August 2022	**39,041,555**	**-**	**3,130,404**	**4,574,054**	**46,746,013**
Depreciation					
At 1 September 2021	9,621,000	-	1,904,210	2,751,214	**14,276,424**
Charge for the year	776,363	-	330,698	282,507	**1,389,568**
Disposals	(33,305)	-	(196,250)	(312,301)	**(541,856)**
At 31 August 2022	**10,364,058**	**-**	**2,038,658**	**2,721,420**	**15,124,136**
Net book value					
At 31 August 2022	**28,677,497**	**-**	**1,091,746**	**1,852,634**	**31,621,877**
At 31 August 2021	27,748,001	1,248,046	984,242	1,775,434	31,755,723

The net book value of assets held under finance leases or hire purchase contracts included above within Plant and Equipment is £125,054 (2021: £Nil).

11(a) Investments

	Group 2022 £	Group 2021 £
At 1 September 2021	**3,381,739**	2,862,746
Realised (losses)/gains	**(44,409)**	61,963
Unrealised (losses)/gains	**(296,576)**	415,138
Management fees	**(23,412)**	(22,004)
Dividends reinvested	**71,390**	63,896
At 31 August 2022	**3,088,732**	3,381,739

Details of the additions and disposals during the year are shown in the Cash Flow Statement.

These balances can be further analysed as follows:

	Group 2022 £	Foundation 2022 £	Group 2021 £	Foundation 2021 £
(a) Investment in subsidiaries	-	**1,630,389**	-	1,741,277
(b) Other Investments at market value:	**2,785,097**	**2,785,097**	3,290,224	3,290,224
(c) Investments held in cash	**303,635**	**303,635**	91,515	91,515
	3,088,732	**4,719,121**	3,381,739	5,123,016

11(b) Investments – Group

Investments held on non-UK stock markets totalled £615,144 (2021: £704,536). Within the investment portfolio, there are no specific investments which represent more than 5% of the overall investment portfolio (2021: 515 units of Edgewood L Select Fund (US Select Growth) with a market value of £188,046).

The market values of quoted investments held at 31 August 2022 are based upon stock market quoted prices at the year end date.

11(c) Investment income

	2022 £	2021 £
Dividends from managed funds	**70,385**	65,808
Interest on government stocks	**97**	187
Interest on cash deposits	**547**	-
Rental income on property	**33,500**	33,500
	104,529	99,495

12 Debtors

	Group 2022 £	Foundation 2022 £	Group 2021 £	Foundation 2021 £
Fees and extras (less provision for bad debts)	**996,549**	**969,921**	1,035,390	1,000,651
Other debtors	**182,644**	**92,362**	143,588	71,868
Prepayments and accrued income	**477,969**	**423,734**	427,707	375,900
	1,657,162	**1,486,017**	1,606,685	1,448,419

Fees and extras are stated after impairment provisions totalling £487,140 (2021: £415,411).

13 Creditors: amounts falling due within one year

	Group 2022 £	Foundation 2022 £	Group 2021 £	Foundation 2021 £
Bank loans (see note 14)	**431,511**	**431,511**	385,000	385,000
Other loan (see note 14)	**71,376**	**71,376**	71,376	71,376
Bank overdraft	**220,262**	**220,262**	19,801	19,801
Fees received in advance	**3,042,358**	**3,042,358**	2,139,233	2,139,233
Trade creditors	**873,191**	**765,012**	813,235	738,298
Amounts owed to subsidiaries	**-**	**850,736**	-	882,212
Taxation and social security	**1,321,800**	**1,321,800**	2,200,319	2,200,319
Other creditors	**291,500**	**259,450**	300,983	280,200
Accruals and deferred income	**701,120**	**560,808**	879,409	668,066
Obligations under finance lease and hire purchase contracts (see note 16)	**37,933**	**20,685**	-	-
Deposits held	**1,676,441**	**1,676,441**	2,235,923	2,235,923
	8,667,492	**9,220,439**	9,045,279	9,620,428
Composition fees (see note 15)	**825,626**	**825,626**	589,474	589,474
	9,493,118	**10,046,065**	9,634,753	10,209,902

14 Creditors: amounts falling due after more than one year

	Group 2022 £	Foundation 2022 £	Group 2021 £	Foundation 2021 £
Bank loans (see below)	**7,390,616**	**7,390,616**	7,314,800	7,314,800
Other loan (see below)	**1,650,000**	**1,650,000**	1,750,000	1,750,000
Obligations under finance lease and hire purchase contracts (see note 16)	**131,988**	**71,403**	-	-
Composition fees (note 15)	**1,098,783**	**1,098,783**	998,324	998,324
	10,271,387	**10,210,802**	10,063,124	10,063,124

The bank loans are repayable by instalments

	2022 £	2021 £
Over 5 years	**5,389,800**	5,774,800
Within 2 to 5 years	**1,569,305**	1,155,000
Within 1 to 2 years	**431,511**	385,000
	7,390,616	7,314,800
Within 1 year (see note 13)	**431,511**	385,000
	7,822,127	7,699,800

On 5 February 2021, formal repayment terms were agreed relating to the existing bank loan of £7,699,800. The maximum facility limit is £7.7m which is repayable in 60 instalments of £128,333.34 payable on 31 January, 30 April and 30 September of each year. The interest rate on the loan is 1.98% above Bank of England Base Rate. The loan is secured on certain freehold properties.

On 7 September 2021, a further loan of £750,000 was agreed which was drawn down on 27 September 2021 with the funds credited to the bank current account, this sum having been drawn from the bank overdraft facility in July 2021 to finance the purchase of a property. The loan is repayable over a 3 year term commencing on 27 October 2021 in 35 monthly instalments of £3,819.42 (capital and interest) with the remaining balance due no later than 27 September 2024. The interest rate on the loan is 1.97% over the Bank of England Base Rate. The loan is secured on certain freehold properties.

The other loan is repayable by instalments

	2022 £	2021 £
Over 5 years	**1,150,000**	1,275,000
Within 2 to 5 years	**375,000**	375,000
Within 1 to 2 years	**125,000**	100,000
	1,650,000	1,750,000
Within 1 year (see note 13)	**71,376**	71,376
	1,721,376	1,821,376

The other loan is in respect of the Asset Purchase of Airthrie School LLP and is secured on certain freehold property. The loan is repayable over a 15 year term and annual repayments commenced on 5 July 2022. The interest rate is fixed at 1%.

15 Creditors: composition fees

Parents may pay the school tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils will remain in the Charity's schools, the amounts due will be applied as follows:

	Group and Foundation 2022 £	Group and Foundation 2021 £
Greater than 5 years	**59,637**	41,504
Within 2 to 5 years	**563,397**	504,155
Within 1 to 2 years	**475,749**	452,665
	1,098,783	998,324
Within 1 year (see note 13)	**825,626**	589,474
	1,924,409	1,587,798

Discounts are given on composition fee accounts in accordance with the rate as set out in the individual signed agreements.

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

	£
Balance at 1 September 2021	1,587,798
New contracts	1,137,356
Amounts utilised in payment of fees to the Charity	(837,924)
Discounts given	37,179
Balance at 31 August 2022	**1,924,409**

16 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	**Foundation 2022 £**	Group 2021 £	Foundation 2021 £
Within one year	**37,933**	**20,685**	-	-
Between 1 – 5 years	**131,988**	**71,403**	-	-
	169,921	**92,088**	-	-

The assets held under hire purchase are for a dishwasher and theatre lighting.

17 Financial instruments

	Group 2022 £	Foundation 2022 £	Group 2021 £	Foundation 2021 £
Financial assets measured at fair value	**3,088,732**	**3,088,732**	3,381,739	3,381,739

Financial assets held at fair value include assets held as investments.

18 Net assets of the funds of the Group and The Dean Close Foundation

The net assets held as at 31 August 2022 for the various funds are as follows:

	Goodwill on consolidation £	Fixed assets and Investments £	Net current (liabilities)/ assets £	Long term liabilities £	Total £
Endowed funds	-	510,936	-	-	**510,936**
Restricted funds	-	377,118	-	-	**377,118**
General funds	-	35,392,135	(8,517,150)	(10,210,802)	**16,664,183**
Foundation	-	36,280,189	(8,517,150)	(10,210,802)	**17,552,237**
Subsidiary and other funds	(945,947)	241,443	903,039	(60,585)	**137,950**
Consolidation adjustments	1,500,388	(1,630,388)	-	-	**(130,000)**
Group	554,441	34,891,244	(7,614,111)	(10,271,387)	**17,560,187**

18 Net assets of the funds of the Group and the Dean Close Foundation (continued)

Comparative 2021	Goodwill on consolidation	Fixed assets and Investments	Net current assets/ (liabilities)	Long term liabilities	Total
	£	£	£	£	£
Endowed funds	-	530,587	-	-	530,587
Restricted funds	-	759,346	-	-	759,346
General funds	-	35,512,136	(8,703,581)	(10,063,124)	16,745,431
Foundation	-	36,802,069	(8,703,581)	(10,063,124)	18,035,364
Subsidiary and other funds	(945,947)	214,059	869,837	-	137,949
Consolidation adjustments	1,611,276	(1,741,276)	-	-	(130,000)
Group	665,329	35,274,852	(7,833,744)	(10,063,124)	18,043,313

18(a) Endowed funds: Movements in the year (Group and Foundation)

	Balance at 1 September 2021 £	Incoming endowments £	Amounts expended £	Transfers £	Balance at 31 August 2022 £
Permanent endowments:					
Arts Council Grant	530,587	-	-	(19,651)	**510,936**

The grant received from the Arts Council in respect of the construction in 1997 of the new Music School amounted to £982,561. This is being amortised over the useful life of the Music School, with the amortisation charge of £19,651 for the year being transferred to unrestricted funds.

The grant is an endowment fund by virtue of its purpose being to provide Arts in the community by building the Music School and is subject to certain conditions being met.

Comparative 2021	Balance at 1 September 2020 £	Incoming endowments £	Amounts expended £	Transfers £	Balance at 31 August 2021 £
Permanent endowments:					
Arts Council Grant	550,238	-	-	(19,651)	530,587

18(b) Restricted funds: Movements in the year (Group and Foundation)

	Balance at 1 September 2021 £	Incoming resources £	Amounts expended £	Transfers and Investment gains £	Balance at 31 August 2022 £
Prize, Scholarships and other funds	247,807	234,089	(102,778)	(15,025)	**364,093**
Quad Redevelopment	498,635	121	-	(498,635)	**121**
Private Family Charitable Trust	12,904	-	-	-	**12,904**
	759,346	234,210	(102,778)	(513,660)	**377,118**

Prize, Scholarships and other funds consist of a number of individual bequests received from individual donors and are utilised in accordance with donors' wishes. The Quad Redevelopment fund consists of a number of individual donations received from individual donors and are utilised in accordance with donors' wishes to assist with the funding of the Academic Quad Redevelopment at the Senior School. £498,635 was transferred into the unrestricted fund during the financial year on completion of the Quad Redevelopment.

Comparative Funds 2021	Balance at 1 September 2020 £	Incoming resources £	Amounts expended £	Transfers and Investment gains £	Balance at 31 August 2021 £
Prize, Scholarships and other funds	258,949	112,927	(138,796)	14,727	247,807
Quad Redevelopment	-	498,635	-	-	498,635
Private Family Charitable Trust	12,904	-	-	-	12,904
	271,853	611,562	(138,796)	14,727	759,346

18(c) Unrestricted funds: Movements in the year

	Balance at 1 September 2021 £	Incoming resources £	Amounts expended £	Transfers and Investment gains £	Balance at 31 August 2022 £
General fund	16,753,380	27,851,535	(28,125,108)	192,326	**16,672,133**

The General fund includes £16,664,183 (2021: £16,745,431) net assets in respect of funds held by the Foundation. On consolidation, amortisation of goodwill totalling £110,888 was added to the amounts expended which is included in the figure above. Transfers and Investment gains within the General fund include £503,135 transferred from restricted funds and £19,651 transferred from endowed funds. Further details of the transfers are included in notes 18a and 18b.

Comparative 2021	Balance at 1 September 2020 £	Incoming resources £	Amounts Expended £	Transfers and Investment gains £	Balance at 31 August 2021 £
General fund	16,532,963	24,683,872	(24,945,480)	482,025	16,753,380

19 Capital commitments

The Group and Foundation had capital commitments at 31 August 2022 contracted for but not provided in these accounts for freehold property and fixtures and fittings of £292,255 (2021: £148,397).

20 Operating lease commitments

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

	Group 2022 £	Foundation 2022 £	Group 2021 £	Foundation 2021 £
Expiring within 1 year	**398,777**	**398,777**	322,107	322,107
Expiring within 1 to 5 years	**1,135,600**	**1,135,600**	1,153,350	1,153,350
Expiring greater than 5 years	**1,412,400**	**1,412,400**	1,560,000	1,560,000

21 Pension Schemes

The Charity participates in the Teachers' Pension Scheme ("the TPS") for the majority of its teaching staff. The pension charge for the year includes employer contributions payable to the TPS of £1,521,444 (2021: £1,611,620) and at the year-end £156,988 (2021: £189,517) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The Government announced on 4 February 2021 that it intends to proceed with a deferred choice under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

The Charity also operates three workplace pension schemes on a defined contribution basis. Employer contributions for the year amounted to £180,194 (2021: £213,742), and at the year-end £52,924 (2021: £39,495) was accrued in respect of contributions to this scheme.

22 Related party transactions

In accordance with CC29 – Conflicts of interest: A guide for charity Trustees, certain transactions between Trustees and the Charity are disclosable.

The Charity is a member of the Association of Governing Bodies of Independent Schools (AGBIS) which provides various membership rights. Costs incurred during the year totalled £Nil (2021: Refund of £185 relating to the attendance at seminars during the year). The Chief Executive of AGBIS was a Trustee of the Charity until he retired as a Trustee on 1 February 2020. There were transactions during the year totalling £422 with Painswick Garden Estates of which Mrs H S L Daltry was a Director. At the year end, £Nil (2021: £Nil) was owed by The Dean Close Foundation.

Total donations of £13,750 were received from 1 Trustee and a close family member during the year (2021: 3 Trustees £2,335).

Apart from the aforementioned items, there were no related party transactions in the year or prior year, with the exception of those Trustees and key management who have children attending the Charity's schools. School fees incurred by Trustees are paid on a commercial arms' length basis, whilst key management can benefit from a staff concession that can be available to all eligible members of staff who have children attending the Foundation.

See note 3(a) and 3(b) for details of the transactions which took place between the Charity and its wholly owned subsidiaries, Dean Close Services Limited and Dean Close Nurseries Limited in the year and any amounts outstanding at the year end.

The Ministry of Defence provides some funding each year for the purposes of the Dean Close Combined Cadet Force (CCF). A separate CCF bank account is held by the Charity. The CCF bank account balance as at 31 August 2022 was £6,653 (2021: £5,529).

23 Analysis of changes in net debt (Group)

	Balance at 1 September 2021 £	Cash flows £	Other non-cash changes £	Balance at 31 August 2022 £
Cash and cash equivalents				
Cash	74,293	10,431	-	**84,724**
Overdraft	(19,801)	(200,461)	-	**(220,262)**
	54,492	(190,030)	-	**(135,538)**
Due within one year				
Bank and other loans	(456,376)	22,326	(68,837)	**(502,887)**
Hire purchase obligations	-	(78,639)	40,706	**(37,933)**
Due greater than one year				
Bank and other loans	(9,064,800)	-	24,184	**(9,040,616)**
Hire purchase obligations	-	-	(131,988)	**(131,988)**
Total	(9,466,684)	(246,343)	(135,935)	**(9,848,962)**

24 Consolidated Statement of Financial Activities – Comparative figures by fund

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowed funds 2021 £	Total 2021 £
Income from:					
Charitable activities					
School fees receivable	2	**20,067,790**	**-**	**-**	**20,067,790**
Ancillary trading income	4	**261,817**	**-**	**-**	**261,817**
Government grant income		**231,398**	**-**	**-**	**231,398**
Other trading activities					
Non-ancillary trading income	3	**4,037,285**	**-**	**-**	**4,037,285**
Investments					
Investment income	11(c)	**63,878**	**35,617**	**-**	**99,495**
Bank and other interest		**18,699**	**-**	**-**	**18,699**
Voluntary sources					
Grants and donations		**3,005**	**575,945**	**-**	**578,950**
Total incoming resources		**24,683,872**	**611,562**	**-**	**25,295,434**
Expenditure on:					
Raising funds					
Non-ancillary trading	3	**3,274,058**	**-**	**-**	**3,274,058**
Financing costs		**284,242**	**-**	**-**	**284,242**
Investment management		**21,325**	**679**	**-**	**22,004**
Fundraising and development		**76,073**	**-**	**-**	**76,073**
Total deductible costs	7	**3,655,698**	**679**	**-**	**3,656,377**
Charitable activities					
Education and grant making		**21,289,782**	**138,117**	**-**	**21,427,899**
Total expenditure	7	**24,945,480**	**138,796**	**-**	**25,084,276**
Net outgoing funds from operations before transfers and investment gains		**(261,608)**	**472,766**	**-**	**211,158**
Gains on investments		**462,374**	**14,727**	**-**	**477,101**
Transfers between funds		**19,651**	**-**	**(19,651)**	**-**
Net movement in funds		**220,417**	**487,493**	**(19,651)**	**688,259**
Fund balances at 1 September 2020		**16,532,963**	**271,853**	**550,238**	**17,355,054**
Fund balances at 31 August 2021	18	**16,753,380**	**759,346**	**530,587**	**18,043,313**

THE DEAN CLOSE FOUNDATION

England & Wales - Charity number 1086829

Accounts

Registered Charity Number: 1086829
Registered Company Number: 4193948

THE DEAN CLOSE FOUNDATION

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

THE DEAN CLOSE FOUNDATION

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FOR THE YEAR ENDED 31 AUGUST 2021

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FOR THE YEAR ENDED 31 AUGUST 2021

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THE DEAN CLOSE FOUNDATION

TRUSTEES, OFFICERS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021

The Directors of the Company, who are referred to throughout these financial statements as the Trustees, are listed below, along with the Members of the Company and the main sub-committee.

President
The Lord Ribeiro

Council of Members
The Rev'd M Allen
The Rev'd S Austen BSc, MA, Dip.Min
*A R Bird, OBE, BA (retired 23 January 2021)
M Bowen
H Bradby BA, MA
S Bullingham MSc, BSc
R Byrd, FCA, FCCA
Mrs K A Carden BA, MPhil
M J Cartwright, BA, FCA
The Rev'd J Chaffey, MA, BA
*Mrs S Clayton
The Rev'd R M Coombs, BSc, MA
Mrs H S L Daltry, BA
B Davies OBE
Mrs R Dick, BA, ACA
*Mrs C Dowler
C S S Drew, MA
J Drew, Meng
I A Duffin, BCom, FCA
Mrs R Eden
S Foster
D Goode, MA, MPhil
J Hall
B Harding, MBA (appointed 23 January 2021)
The Earl of Harrowby, MA, FRICS (retired 23 January 2021)
Dr J Haynes, BM BCh. MA FRCPsych
Mrs T Haynes, BSc (Hons) (appointed 1 April 2021)
*R Hilldick-Smith, MEng, CEng, IMechE (appointed 1 April 2021)
Mrs A Hillman, BA (appointed 1 April 2021)
Mrs S L Hirst, BEd
*H J Hodgkins, ACIB (retired 23 January 2021)
S W Holliday, MA (appointed 18 September 2021)
A J Hunt
*The Rev'd Dr J M Holmes, MA, PhD, VetMB, MRCVS
A Judge
*Mrs F Knight BA
R Lewis, BSc
AVM R Lock, CBE, BSc
The Rev'd R Mackay
Mrs A Marsden, BSc MA
P Maynard
G McDonald, B.Comm B. Acc
*D Mullins, BSc, FCA
The Rev'd D J S Munro, MA, MBA (retired 23 January 2021)
Mrs P G Napier
B Nicholas, MA (appointed 1 April 2021)
*Mrs C Pack, MRICS (appointed 23 January 2021)
N Patterson
*M Philip-Sorensen
Mrs K Pinsent
Dr A Porter
*Lord Ribeiro, kt, CBE, FRCS, FRCSEd

TRUSTEES, OFFICERS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Council of Members (continued)
Mrs K Riding, LLB
Dr C Roberts, BA, BM BCh, FRCA
F J Shaw, MA, MSc, CEng, CSci
P Silvester, ACIB, BA
M P Smith, MA
*T Spencer (appointed 23 January 2021)
Mrs J Sykes, BA
*Lt. Col E T Taylor, BA, RA
S Thomas, BA, LLM
S Thomas, BA, LLB
*J Townsend, MA
The Rev'd Canon Dr P R Williams, CStJ, DL
Rt Rev'd Paul Williams

Board of Trustees
S Bullingham, MSc, BSc
Mrs K A Carden, BA., MPhil., (Chairman)
The Rev'd J Chaffey, MA, BA
The Rev'd R M Coombs, BSc, MA
Mrs H S L Daltry, BA
C S S Drew, MA
I A Duffin, BCom, FCA (Vice Chairman) (retired 18 February 2021)
Mrs S L Hirst, BEd
S W Holliday, MA (appointed 18 September 2021)
Mrs A Marsden, BSc, MA
G McDonald, B.Comm B. Acc
Mrs K Riding, LLB (retired 30 April 2021)
M P Smith, MA (appointed Vice Chairman 18 February 2021)
*Lt. Col E T Taylor, BA, RA

Finance & General Purposes Committee
S Bullingham, MSc, BSc
Mrs K A Carden, MPhil, BA
Mrs H Daltry, BA
I A Duffin, BCom, FCA (Treasurer) (retired 18 February 2021)
G McDonald, B.Comm B. Acc
M P Smith, MA (appointed Treasurer 18 February 2021)

* Old Decanian

TRUSTEES, OFFICERS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Status and Administration

The Dean Close Foundation (referred to as the Charity or the Foundation throughout these financial statements) is a registered charitable company that incorporates the charitable institution originally founded in 1886. Its charity number is 1086829, its company number is 04193948, and its Articles of Association were adopted on 4th April 2001 and most recently amended on 28 May 2021. The liability of the Members is limited by guarantee.

Clerk to the Trustees	A P Bowcher MBA, FCIB, DipFS
Treasurer	I A Duffin, BCom, FCA (retired 18 February 2021) M P Smith, MA (appointed 18 February 2021)
Company Secretary	M Madeley
Registered Office and Principal Address	Shelburne Road Cheltenham Gloucestershire, GL51 6HE
Banker	HSBC Bank plc 2 The Promenade Cheltenham Gloucestershire, GL50 1LR
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol, BS1 4QA Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire, GL50 1YD
Independent Auditor	Crowe U.K. LLP 4th Floor St James House St James Square Cheltenham Gloucestershire, GL50 3PR
Insurer	Zurich Insurance plc The Zurich Centre 3000 Parkway Whiteley Fareham Hampshire, PO15 7JZ Policy No. KSC-252038-7703 (includes Employers' Liability and Public Liability)
Investment Manager	Rathbone Investment Management 1 Curzon Street London, W1J 5FB

THE DEAN CLOSE FOUNDATION

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees of The Dean Close Foundation present their Annual Report for the year ended 31st August 2021 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

DIRECTORS' REPORT

COUNCIL AND CHARITY TRUSTEES

Organisation

The Members of the Company, known as the Council, (details as disclosed on pages 1 and 2) are responsible for the election of the Directors, who are referred to throughout this report as the Trustees. The Members also receive the Annual Report and Accounts at the AGM each year. The Foundation's constitution provides for up to fifteen Trustees, drawn from the Council, who retire by rotation after four years and are eligible to serve up to a maximum of three terms of four years.

The Trustees determine the Charity's strategic direction and monitor its operational performance closely, providing the Warden, Bursar, Heads and Senior Management Teams with direction and support as appropriate. The Board meets four times each year. The work of overseeing the implementation of Board policies and decisions is carried out in large part by the Finance and General Purposes Committee (F&GPC) which meets at least six times per year. Specifically, the F&GPC scrutinises all budgets, management and statutory accounts, business plans and major capital proposals, before these are submitted to the Board for approval.

Following the annual review of Governance, it was agreed to retain the existing committee structure.

The other principal Board committees are:

- the Foundation Estates Planning Committee, which meets at least every 2 months to discuss the longer-term strategy for the estate and management of larger capital projects.
- the Curriculum Development Committee, which offers strategic guidance on future academic developments within the Foundation, within and across the schools.
- the Remuneration Committee, which sets the salary and emoluments for the Warden, Bursar, Heads and Senior Management Teams.
- the Nominations Committee, which is responsible for succession planning for both the Council of Members and Board of Trustees.
- the Health and Safety Committee, which meets termly with Board representation.
- the Safeguarding Committee, which meets at least termly with Board representation.
- the Concessions Working Party, which meets at least twice each year to scrutinise policies and resourcing of scholarship and bursary awards and other concessions.
- the Development Committee, which is responsible for fund-raising and other development plans.

The day-to-day leadership and management of the Foundation is delegated to the following:

Warden	Mrs E L C Taylor
Headmaster Dean Close Senior School	Mr B Salisbury
Headmaster Dean Close Preparatory School	Mr P Moss
Headmistress Dean Close Pre-Preparatory School	Dr C A Shelley
Acting Headmaster Dean Close St John's School	Mr J Dobbie (resigned 31 December 2020)
Headmaster Dean Close St John's School	Mr N Thrower (appointed 1 January 2021)
Headmaster Dean Close Airthrie School	Mr J Dobbie (appointed 5 July 2021)
Bursar and Clerk to the Trustees	Mr A P Bowcher

Charity Governance Code

The Trustees have taken note of the seven principles set out within the Code and recommended practice. Whilst the Charity has not as yet, formally adopted the Code, Trustees apply the Code's recommended practices and more detailed information as to how this has been done is included within this Annual Report.

Stakeholder Engagement and Section 172 (1) Statement

The Trustees, as Directors, must act in accordance with a set of general duties. These duties are detailed in section 172 (1) of the Companies Act 2006 which is summarised as follows:

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the Company.'

The Trustees consider that they have fulfilled their duties in accordance with section 172(1) of the Companies Act 2006 and have acted in a way in which is most likely to promote the success of the Foundation for the benefit of its stakeholders as a whole in the following ways:

Pupils

Boarding and day pupils alike benefit from the Foundation focussing on individual development and helping to nurture each child's strengths and talents within a caring and secure family environment. Pupils are actively encouraged to offer comments and suggestions on the operation of the Foundation through the School Council and these are considered in decisions made by the Senior Leadership Teams.

The focus on pupil outcomes remained paramount during the enforced closure of the school site and the subsequent move to remote learning, recognising the challenges faced by pupils during this lockdown. Staff worked with individuals and groups of pupils to address any concerns and organised online events designed to maintain social interaction and pupil motivation.

Employees

The Foundation recognises that the qualities and skills of its employees and the commitment of its staff plays a major role in its success. Weekly briefings keep staff informed of school wide matters of interest and there are many opportunities for staff training and development.

Staff wellbeing and emotional health has been a particular area of attention, especially as many staff returned to the workplace in September 2020 following an extended period off site either due to working from home or having been furloughed.

Stakeholder Engagement and Section 172 (1) Statement (continued)

Parents

The Foundation continues to ensure that it is in regular communication and engages with its parent body, and a weekly summary of news and events is emailed to them. Additionally, a number of virtual events during the COVID lockdown period including general updates, assemblies and Speech Day were made available remotely to parents to enable them to feel part of school life. The Foundation also carried out a number of parental surveys, in particular to gain feedback from parents to help further develop its remote learning delivery.

Community

The Foundation is proud of its place within the local community and endeavours to offer support and assistance where possible by making available many of its facilities at below commercial rates. It also invites local schools to participate in specific sports and other events and to share various facilities.

Recruitment and Remuneration of Senior Management

Remuneration is set by the Remuneration Committee, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the Foundation's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the Foundation remains sensitive to the broader issues of pay and employment conditions elsewhere. The Foundation aims to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the Foundation's charitable vision and purpose is primarily dependent on its key management personnel and staff costs are the largest element of our charitable expenditure.

Recruitment and Training of Trustees

The Nominations Committee makes recommendations for the appointment of Members and Trustees. Candidates are selected with regard to their availability, eligibility, commitment, specialist skills and Christian standing, and are appointed or otherwise at a General Meeting of the Members. All new Members receive an induction pack of relevant documents outlining their responsibilities and attend an induction workshop conducted by the Chairman, Warden and Bursar, at which the Foundation's organisation and policy are discussed and the responsibilities and duties of Members and Trustees are fully explained. New Trustees also receive induction training provided by either the Foundation's solicitors or an independent external body.

Trustees attend a range of external training days on a schedule kept by the Bursar. Additionally, Trustees receive briefings from the Bursar and one Board meeting per year is primarily devoted to training on governance issues and matters of current concern.

Legal Structure of the Foundation and Definition

The Charity has three wholly-owned non-charitable subsidiaries, Dean Close Services Limited (DCSL), Dean Close Nurseries Limited (DCNL) and Nursery Childcare Services (UK) Limited (NCSL), the latter of which has not traded since 1 September 2017. On 28 April 2020, an application was made to dissolve NCSL and the company was duly dissolved on 6 October 2020. The results of the subsidiaries are included in Note 3 of the Financial Statements.

The annual profits of all subsidiaries are donated to the Foundation under the Gift Aid Scheme. The trading activities of the subsidiaries comprise letting of the Foundation facilities when not in use by the Foundation, the provision of courses, revenue from the Foundation shops and the operation of nurseries. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

When this report refers to 'Group', it means the combined finances of the Charity (The Dean Close Foundation) and its three subsidiaries, DCSL and DCNL and NCSL.

OBJECTS, AIMS AND OBJECTIVES

When reviewing the aims and objectives of the Foundation and in planning its future activities the Trustees consider, in particular, its charitable objectives and Strategic Plan.

Charitable Objects

The Charity's Objects, as set out in its Articles, are the advancement of education, including the provision of schooling for children based firmly upon Christian evangelical principles and the provision of assistance with the resources available to the Foundation for the education of children with parents of limited resources. The Charity also has various restricted reserves enabling it to award modest scholarships, bursaries and prizes, as well as a number of un-endowed trust funds held for special purposes in connection with the development of the Foundation's facilities.

Mission statement

The Charity's mission is to provide the necessary education and appropriate training to enable children and young people to flourish and to achieve their potential as individuals, and thereby to ensure that as adults they will be confident and successful members of society and effective contributors to it.

Intended impact

Within its charitable objects, the Charity's intention is to provide first class childcare in our nurseries and a first-class education through strong academic tuition and by developing broader skills that enable every pupil to realise his or her potential to the full. This involves emphasis on co-curricular activities through academic, sporting, artistic, team building and social skills, as well as encouraging spiritual awareness and self-reflection. This approach builds self-confidence and life skills in our pupils and inculcates a desire to learn and a willingness to contribute to the wider community whilst at school and in later life.

Aims

The aim of the Charity is to provide high-quality education and care for day and boarding pupils from Nursery (age approximately 6 months) to Upper Sixth level (18 years). During the year under review, this was carried out by 5 nurseries and 4 schools operating in Cheltenham, Gloucester, Chepstow and Newport. The nurseries and schools are overseen jointly by the Trustees, through the Warden (CEO) and Bursar.

Most of the children from Dean Close Preparatory School enter the Senior School and the vast majority of those leaving the School after A Levels have historically sought entry to universities and other higher education establishments. Pupils from Dean Close St John's School enter a variety of different senior schools at 13, including Dean Close Senior School. In addition to the academic life of the Schools, pupils' co-curricular activities include an extensive range of musical, dramatic and artistic activities as well as sports training, with many teams achieving success at county and national level. The needs of the wider community are addressed through an imaginative and wide-ranging Community Action and Partnerships programme and the Foundation makes many of its facilities available to the community and to local charities at reduced rates.

Christianity is at the heart of the Charity both in its aims and values and in practice, in regular formal services and voluntary Christian Union groups, bible study classes and an active Chaplaincy. The Foundation's educational policy is built upon its Christian principles and Trustees aim to ensure that pupils of all faiths and none are encouraged to consider their own response to questions of faith based upon a clear understanding of the Christian message. The Charity has defined its Aim and Values, based on the principles of biblical Christianity, and these are embedded in every aspect of its activities. The overarching aim is Flourishing, and the three key values are Courage, Love and Contribution.

The Charity aims to maintain a warm family atmosphere and a very high standard of pastoral care for all members of its community.

Objectives

- To make excellent provision for teaching and learning, ensuring that the curriculum is giving an outstanding preparation for life after school.
- To continue to improve the quality of Foundation facilities.
- To recruit, retain and develop excellent staff, both teaching and non-teaching.
- To maintain a broad and appropriate range and variety of co-curricular activities for all children and young people and to promote and develop sporting, musical, dramatic and artistic achievement across the Foundation.
- To sustain pupil recruitment in the face of ongoing difficult economic circumstances and to continue to widen access to Dean Close by the provision of means-tested assistance both for new applicants and in hardship cases affecting existing pupils.
- To develop further the Charity's commitment to partnerships, locally, nationally and internationally.

Strategies to achieve the Objectives

- Recruitment, induction, appraisal, mentoring and training of staff to ensure they are providing the very best quality of experience for children and young people, inside and outside the classroom.
- Constant review and innovation within the curriculum and co-curriculum, ensuring the needs of children and young people are met with a keen eye on the future requirements of universities, employment and wider society.
- Employment of highly qualified, specialist staff to maintain standards of sport, music, and drama.
- Continued investment in Foundation facilities through ongoing maintenance and through selected refurbishment and enhancement of facilities, particularly in boarding.
- Fundraising to support three key areas of development: campus, community and curriculum.

The aims and objectives set for the Charity's subsidiaries are to donate profits to facilitate the achievement of the Charity's aims and objectives as above.

EMPLOYEE INFORMATION

A Staff Employment Handbook is in place for members of the teaching and support staff; a number of important measures, including the development of a universal appraisal system, have been introduced for members of the Charity's support staff. Considerable time and effort is expended in ensuring that all members of staff are kept fully informed about new developments and in addressing questions and any concerns.

A significant amount of staff time is devoted to ensuring that the Charity's policies are fully compliant with current legislation and best practice. The Charity seeks to work with all employees, taking into account their personal circumstances, to ensure that appropriate training, development and advancement opportunities are available to enable them to reach their full potential. The Charity is committed to a policy of equal opportunity in employment. The aim of the policy is to ensure that:

- selection criteria and procedures are in place to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.
- no job applicant or employee receives less favourable treatment on the grounds of their gender, gender reassignment, marriage or civil partnership, pregnancy and maternity, sexual orientation, disability, race, colour, ethnic background, nationality, religion or belief or age.
- no employee suffers harassment or intimidation.

DISABLED PERSONS

The Charity will employ disabled persons when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are the Directors of The Dean Close Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

STRATEGIC REPORT

Principal risks and other matters of strategic importance

The Board of Trustees is responsible for the management of the strategic risks faced by the Charity. Detailed consideration of risks is delegated to the Finance and General Purposes Committee, assisted by the Warden and Bursar. Risks are identified and assessed and controls are implemented and monitored regularly. The Charity's Risk Model is reviewed and updated on a termly basis by the Warden and Bursar and presented to the Finance and General Purposes Committee for approval.

The key risk controls used by the Charity include:

- maintenance of a comprehensive Risk Register.
- formal agendas and minutes for all Committee and Board meetings.
- detailed Terms of Reference for all Committees, which are regularly reviewed.
- comprehensive strategic planning, budgeting and management accounting procedures.
- a well-established organisational structure and clear lines of reporting.
- a comprehensive range of formal, written policies.
- clear authorisation and approval levels.
- vetting procedures as required by law.

Through its risk management processes, the Board has concluded that the major risks currently confronting the Charity are:

- the generation of insufficient surplus to fund the objectives of the Strategic Plan.
- a downturn in the demand for independent education driven by economic conditions both nationally and internationally, and current parental affordability concerns.
- increased cost caused by changes in Government policy.
- the ongoing impact of COVID-19 and consequent business operations.

The Board is satisfied that all major risks identified have been adequately mitigated where necessary and possible. It is recognised that such systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. Through proactive management, the Foundation has ensured continuity of education for its pupils during the COVID-19 lockdown period and managed its cash flows well within agreed facilities with its bank. Whilst there remain uncertainties as to the length of time that COVID-19 will impact on the Foundation, the diversification of income streams that Dean Close Nurseries Limited and Dean Close Services Limited bring to the Group will continue to ultimately reduce risk in the longer term.

Results for the year

This year, the Senior School averaged 481 pupils (2020: 461), of whom 228 (2020: 221) were day pupils. The Preparatory School averaged 301 pupils (2020: 297) of whom 225 (2020: 222) were day pupils. The Pre-Preparatory School averaged 124 pupils (2020: 122) measured on a full-time equivalent basis, all of whom were day pupils. Dean Close St John's School averaged 153 pupils (2020: 165) of whom 144 (2020: 156) were day pupils. The principal funding sources for the Group are school fees and day nursery fees.

The consolidated surplus for the year before depreciation and amortisation of goodwill was £2,018,241 (2020: £211,814). Total incoming resources increased by £2.2m or 9.7% whilst total expenditure increased by £0.9m or 3.6%. There are a number of reasons for the improvement in this surplus. The continuing benefit of the programs "Costbase 20", and "Costbase 21", which started in January 2019 saving £1.4m of permanent overhead to date, the growth in pupil numbers at the senior and Cheltenham prep school in September 2020, the outstanding growth of the nursery group, good financial control and the strong performance of the investment portfolio.

Set against those gains were carrying the increased cost of the Teachers' Pension scheme, the performance of DCSL, which was again severely affected by the Pandemic and further school fee variations which were given to parents due to the blended learning delivered during part of the Lent term 2021.

Capital investment during the year totalled £5.1m. This included £2.85m for a number of freehold properties and £1.1m for the initial phase of the Academic Quad Redevelopment at the Senior School. Other significant capital investment includes £0.32m for improvements and refurbishment of boarding houses in the Senior and Prep School and £0.1m additional investment in IT. Debtors continued to be actively monitored and managed throughout the year and are at a similar level to the previous year. Airthrie School was acquired on the 5th July 2021.

The Trustees are satisfied with the overall financial position of the Foundation.

Review of achievement and performance for the year

The achievements of the Charity and its constituent schools and nurseries need to be understood in the context of the global pandemic that continued to disrupt normal teaching and commercial activities for a second academic year in succession, with national lockdown measures resulting in remote teaching and learning for part of the academic year, and with significant restrictions on the movements of international students in particular.

Despite the constraints, the nurseries remained open throughout the year and the Schools maintained both boarding and day provision within the government guidance, including major innovations in teaching practice to enhance co-curricular provision for those at home during lockdown or isolation periods.

Investment in IT was accelerated and the level of engagement of pupils in interactive online classes was high.

Despite the challenging and unique circumstances, the children and young people in the Charity's care achieved remarkable things during this academic year.

At Dean Close School, Centre Assessed Grades at GCSE resulted in 64% 9-7 grades and 83% A*-B at A Level. These results are realistic and in line with the direction that the school has been moving over the last few years. The process of providing grades was painstaking, with careful use of data and evidence, and the results are an accurate reflection of what these year groups would have achieved had they sat public examinations. Once again, over 90% of those applying to university were successful with their applications to the universities of their first choice.

The School continued to develop an extended preparation for University with a series of talks and seminars for the Upper Sixth.

Dean Close St John's celebrated the achievement of the Pre-Senior Baccalaureate programme for its Year 8 leavers. Nine pupils progressed to Dean Close School.

Review of achievement and performance for the year (continued)

Sporting fixtures across the Schools were significantly disrupted by the pandemic, but training continued either in person or via online learning for a range of sports. The opportunity was taken to introduce fitness programmes for use at home during lockdown and many pupils undertook sporting challenges for charity and for personal development during this time. Equestrianism continues to grow as a specialism at Dean Close, with a cross-Foundation team being fielded for eventing competitions with the support of parents and coordinated by the Director of Equestrian Sport. DCPS, DCPPS and DCSJS were all able to run Sports Days with some spectators, and cricket matches also began again in the Trinity Term.

Despite the constraints, a variety of drama productions took place during the year, with the outdoor Tuckwell Theatre coming into its own to allow audiences to enjoy the productions, as well as indoor productions with more limited audiences. These included *A Midsummer Night's Dream* and *The Importance of Being Earnest* at Dean Close School, and a well-received production of *Bugsy Malone* at Dean Close Preparatory School. During lockdown pupils, staff, trustees and alumni contributed to a recording of every one of Shakespeare's sonnets. DCSJS produced *Alice in Wonderland* and an adaptation of *A Midsummer Night's Dream.*

A series of outstanding concerts took place across the schools and music continued through lockdown with virtual choirs, orchestras and jazz ensembles all continuing to rehearse and perform. A virtual House Music Competition was made possible at DCS, and Battle of the Bands' and House Music took place live at DCPS.

Dean Close Pre-Prep continued its programme of 'Wow Days' with a 'Supersenses' Day combining exploration of the senses with fundraising for 'Guide Dogs for the Blind'.

The 'Foundation Stones' values were embedded across all the Schools and nurseries during the year, with reward systems introduced to promote the Aim and Values of Flourishing, Courage, Love and Contribution, as well as assemblies, PSHCE lessons and tutorials focusing on their development.

All the Schools held face-to-face Speech Days and prize-giving celebrations at the end of the Trinity Term, enabling the important transitions for leavers in the Upper Sixth, Year 8 and Year 2 to be marked, and the opportunity to acknowledge and celebrate the successes of all pupils in every area of school life. For the first time prizes were awarded for those exemplifying the Dean Close Foundation Stones values in each school.

The Charity's partnership work continued and was strengthened during the year, particularly in the Cheltenham Education Partnership work with other secondary schools in Cheltenham. Staff and pupils took part in a number of collaborative activities, all staged virtually, including young people's podcasts hosted at All Saints' Academy, Oxbridge preparation sessions hosted by the MFL and Science departments at DCS and the 'Manifesto for Change' project coordinated by the University of Gloucestershire to explore young people's ideas for educational change.

In April 2021 Dean Close senior school was inspected against the government guidance on hosting pupils in 'red list quarantine' ie returning from countries on the Covid-19 'red list' and overseeing their quarantine at school. The school was found to be compliant in all respects except one, which was that a pupil returning from Oman had been allowed to visit a public toilet on the way back to school, which was not allowed in the guidance in force at the time. This led to a 'not met' finding on two of the National Minimum Standards for boarding. The school has since updated its Covid-19 risk assessment and put in place an action plan to ensure that such a breach could not happen again. The five nurseries are all inspected by Ofsted. Four were rated Good at year end but Little Trees Hucclecote warranted an 'inadequate' rating at a recent inspection in August 2021. Three issues were around staff training and triggered an overall inadequate rating despite the Good judgements for Quality of Education and Behaviour and Attitudes. It will be reinspected in the next few months.

Energy and emissions report

During the year the Foundation took the following energy efficiency actions.

- Continued rollout of LED conversions and replacements across all sites.
- An increase to the number of bicycle stands to further encourage staff and pupils to cycle to school where practical.

A summary of key data is as follows:

	2021	2020
UK energy use (kWh)	**8,165,172**	6,161,872
Associated Greenhouse gas emissions (Tonnes CO2 equivalent)	**1,554**	1,225
Intensity ratio (Emissions per FTE)	**3.7**	2.92

UK energy use covers the use of natural gas for heating and cooking and electricity for heating and lighting across all entities of the Dean Close Foundation. Associated greenhouse gases have been calculated using the Gov.uk conversion 2021 conversion tables using 0.18386 per kWh for natural gas and 0.21233 per kWh of electricity in each reporting year. The lower energy use and associated Greenhouse gas emissions in 2020 is due to the school sites being closed during part of 2020 due to the COVID lockdown.

Grant-making policy

Trustees are committed to broadening access to Dean Close by offering means-tested bursaries based on an assessment of financial need to pupils whose parents/guardians are unable to pay the full fees. All bursaries are means-tested annually and have a value of up to 100% of the fees.

This year, the value of means-tested bursaries, clergy and Armed Services awards and other concessionary fees was £3.06m (2020: £2.79m), with a further £1.3m (2020: £1.22m) awarded in the form of scholarships and exhibitions. The Foundation's policy is to widen access to Dean Close to all sectors of the community by providing assistance with up to 100% of school fees for deserving children and to relieve hardship where an existing pupil's education and future prospects may otherwise be at risk. Fundraising continues to provide major awards, known as Foundation Awards and the school is extremely grateful to and thanks donors for their support.

Scholarships were made available to entrants aged 11, 13 and 16 for outstanding ability in academic work, music, art, sport and drama. Such awards are generally limited to a maximum of 20% of the school fees for any individual. Minor awards were also extended to a small number of children entering the Preparatory School at age 7.

Fundraising performance

Donations, gifts and legacies totalled £578,950 in the year (2020: £105,622), of which £575,945 were for restricted purposes. Further details concerning restricted donations are included in Note 17b to the Financial Statements. The increase is attributable to a number of significant donations received in aid of funding the Academic Quad Redevelopment to create a Mathematics and Economics/Business centre at the Senior School which was opened in September 2021. The Trustees wish to record their thanks for the many kind and generous donations received throughout the year, without which this and other initiatives would have either been delayed or not been possible.

Fundraising is overseen by the Development Committee which is chaired by a Trustee and includes other Trustees. The Development department carries out day to day fundraising tasks assisted by an external Consultant. Particular attention continues to be given to the management of data and the protection of vulnerable people. The Foundation has had no complaints about its fundraising activities this year.

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

Investment powers, policy and performance

The Trustees' powers for the investment of its corporate funds are set out in the Articles of Association and are, subject to statutory requirements, broadly equivalent to those of an individual beneficial owner. For the investment of the trust funds that it administers, the Foundation is subject to the Trustee Act 2000.

The Trustees' policy is to obtain a return of capital gain and reinvested dividends on the invested funds at a suitable benchmark, thereby enhancing the Foundation's ability to provide scholarships, bursaries and prizes in future years and preserving the capital value of the underlying investments.

The Charity's investment portfolio is managed on a discretionary basis under an agreed set of investment parameters that are stated in the Foundation's Investment Policy. Portfolio performance is reported termly against an agreed benchmark and the Foundation's Investment Manager provides six-monthly briefings to the Finance and General Purpose Committee which include detailed analysis of the portfolio's performance, overviews of market conditions and his strategic approach to obtaining an optimal return on the Charity's investments.

At the year end the Group's long term investments totalled £3.38m (2020: £2.86m). The overall total investment return over the year was 18.1% (2020: 2.2%) which reflected an excellent result aided by rising world stock markets.

Reserves level and policy

The Charity's policy is to invest in premises and equipment to support the business and education requirements of the Charity, while ensuring adequate financing of day-to-day operational needs and the maintenance of adequate reserves to meet any contingencies as they arise. Therefore retained surpluses are not held as free reserves, but are normally utilised for improvements to the Charity's facilities. This policy is supported by external financing as and when necessary which is allocated to specific capital projects.

The Group's total reserves of £18.04m (2020: £17.36m) at the year end included £0.53m (2020: £0.55m) endowment capital, £0.76m (2020: £0.27m) unspent restricted funds and £16.75m (2020: £16.54m) unrestricted funds. £25.35m (£21.64m) of this represented the net book value of fixed assets less associated long term funding arrangements, leaving free reserves of negative £8.6m (2020: negative £5.1m) at the year end.

Resources

The Charity has at its disposal unrestricted funds which are invested by Rathbone Investment Management in a broad portfolio of bonds, equities and cash, as disclosed in note 11.

The Charity has a main bank overdraft facility of £3m to service working capital requirements. The bank loan facility has been utilised as planned to provide funding to deliver ongoing capital developments which form part of the overall Strategic Plan. The Charity's corporate and trust funds all have sufficient realisable assets appropriate to meet their respective obligations.

FUTURE PLANS OF THE DEAN CLOSE FOUNDATION

The Charity's Strategic Plan sets out the Dean Close values, vision and ethos. The Plan is built around four pillars:

- Educational excellence
- Financial sustainability
- Employee engagement
- Partnership collaboration

Around these pillars, the plan establishes medium to long-term aims, which are:

- To cement and sustain the Foundation's strong academic reputation while avoiding selection based on academic grounds alone;
- To remain a flourishing, co-educational community for families, with excellent boarding and day facilities and excellent childcare support in its nurseries;
- To continue to develop excellent relationships with parents and families and to provide the highest possible standards of pastoral and tutorial support;
- To sustain a reputation for excellence in the creative and performing arts and in sport;
- To continue to develop the work of the Chaplain and the chaplaincy team, developing young Christian leaders and promoting spiritual development;
- To maintain and increase pupil numbers throughout the Foundation, particularly at Dean Close St John's School and in boarding;
- To continue the growth in earnings of Dean Close Services Limited and Dean Close Nurseries Limited, in order to invest those earnings in facilities across the Foundation;
- To be excellent employers; recruiting, training and developing outstanding staff;
- To develop and sustain partnerships with other organisations, locally, nationally and internationally; and
- To continue to develop community access to the Foundation's facilities and to widen access to independent education through the provision and active promotion of means-tested bursaries.

The Development Board oversees fundraising activity towards our three major campaign objectives; campus, community and curriculum:

- Campus – to renew the academic heart of Dean Close School, creating innovative and exciting teaching spaces with an emphasis on preparation for modern working life.
- Community – to establish a long term endowment supporting Foundation Awards, which are transformational bursaries for deserving and talented pupils.
- Curriculum – to establish a curriculum through all the age groups which emphasises Skills for the Future, including links with industry through parents, alumni and local partners.

FINANCIAL STATEMENTS

The financial statements on pages 22 to 50 have been prepared in accordance with the Charities Statement of Recommended Practice FRS 102.

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

KEY ITEMS IN THE STATEMENT OF FINANCIAL ACTIVITIES

Restricted income comprises dividend income from investments, rental income and donations. The endowed reserve contains the unamortised portion of the Arts Council Grant made for the construction of the Music School in 1997. The Foundation's non-charitable trading includes the following activities of Dean Close Services Limited: the operation of the Bacon Theatre, lettings of certain parts of the Charity's property to provide access for external groups to sporting, music, drama and other facilities, together with income from the School Shops. The Foundation has continued to develop a range of owned and managed sports and educational offerings including a Residential Language Course at Dean Close St John's School, an Easter Revision course and various Dean Close branded sports camps, which are operated through Dean Close Services Limited. The management of the children's day nurseries is undertaken through Dean Close Nurseries Limited. All surplus income of the trading subsidiaries is used for the purposes of the Charity. As previously reported, the global COVID-19 pandemic and resulting travel restrictions has had a significant impact on the results of Dean Close Services Limited.

PUBLIC BENEFIT

Direct Public Benefit includes means tested bursaries and grants made to existing and new families. Trustees are committed to broadening access to Dean Close by offering means-tested bursaries to pupils whose parents / guardians are unable to pay the full fees. All bursaries are means-tested annually and have a value of up to 100% of the fees. The Foundation also has a scheme that helps military families with their fees.

Bursaries can range from 5% to 100% of the school fee. On occasions where certain students are selected for certain extracurricular Arts/Drama/Sport trips but where the cost alone precludes their participation we can relieve that financial burden in certain circumstances. The Charity does not have a large endowment and therefore the Trustees are mindful, when bursaries are provided, that there remains a fair balance overall between those benefitting from bursaries and full fee-paying parents, many of whom make significant personal sacrifices to fund their children's education. Fundraising continues to provide an endowment to support Foundation Awards and life-changing bursaries for pupils from families of modest means. Foundationers, supported by donors from the Old Decanian community, former parents and other individuals, continue their education at the senior school and these talented and deserving individuals would never have been able to consider independent schooling without these transformational awards. The Foundation aims to increase the number of Foundationers to 20 over the coming 10 years.

Indirect Public Benefit includes the use of facilities such as the Bacon Theatre and sports facilities which, from time to time, are let on a reduced cost to local groups or groups where their educational or artistic value is highly regarded in educational terms. The Foundation also invites local preparatory schools, junior schools and nurseries to benefit from Forest School, and from events such as sports skills days, choral and orchestral days, and science days. Local children also have the opportunity to attend theatre workshops and plays. Facilities are also made available to educational groups, and have, for example, hosted at no charge Gloucestershire Early Years meetings in the Pre-Prep hall with teachers from schools across Cheltenham.

The Trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

PARTNERSHIPS

Partnership activity in the Dean Close Foundation operates on four levels: locally, regionally, nationally and internationally. Locally, it has many partnerships with primary schools and their pupils attended concerts, plays, Sports Skills and Community Action days, and Forest School at DCSJ, DCPS and DCS or hosted assemblies led by DCS pupils. The Cheltenham Education Partnership (CEP) has continued to gain considerable momentum despite the pandemic. There are many regional partnership links in Gloucestershire and the South West for sport, business, chaplaincy and music. National links are with academic organisations, the Choir Schools' Association, and TISCA. Finally, international partnerships have been disrupted but the Foundation remains committed to schools in Uganda and China.

AUDITOR

The auditor, Crowe U.K. LLP, have indicated their willingness to continue in this role. In accordance with Section 435 of the Companies Act 2006, a tender process for the next 5 years of audit will be undertaken in early 2022.

The Annual Report of the Trustees and incorporated Strategic Report were approved by the Board on 4 December 2021 and signed on its behalf by

Kathryn Carden
Chairman of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION

Opinion

We have audited the financial statements of The Dean Close Foundation for the year ended 31 August 2021 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and 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 the charitable company's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

- the parent company has not kept adequate accounting records; or
- the parent 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

As explained more fully in the trustees' responsibilities statement on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

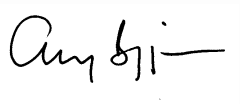
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of non-fee income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management,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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DEAN CLOSE FOUNDATION (CONTINUED)

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



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

Date: 10 January 2022

THE DEAN CLOSE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021 (Incorporating a consolidated Income and Expenditure account)

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowed funds 2021 £	Total 2021 £	Total 2020 £
Income from:						
Charitable activities						
School fees receivable	2	**20,067,790**	**-**	**-**	**20,067,790**	18,131,815
Ancillary trading income	4	**261,817**	**-**	**-**	**261,817**	256,362
Government grant income		**231,398**	**-**	**-**	**231,398**	1,155,464
Other trading activities						
Non-ancillary trading income	3	**4,037,285**	**-**	**-**	**4,037,285**	3,293,245
Investments						
Investment income	11(c)	**63,878**	**35,617**	**-**	**99,495**	90,648
Bank and other interest		**18,699**	**-**	**-**	**18,699**	31,876
Voluntary sources						
Grants and donations		**3,005**	**575,945**	**-**	**578,950**	105,622
Total incoming resources		**24,683,872**	**611,562**	**-**	**25,295,434**	23,065,032
Expenditure on:						
Raising funds						
Non-ancillary trading	3	**3,274,058**	**-**	**-**	**3,274,058**	3,234,059
Financing costs		**284,242**	**-**	**-**	**284,242**	234,641
Investment management		**21,325**	**679**	**-**	**22,004**	19,275
Fundraising and development		**76,073**	**-**	**-**	**76,073**	100,079
Total deductible costs	7	**3,655,698**	**679**	**-**	**3,656,377**	3,588,054
Charitable activities						
Education and grant making		**21,289,782**	**138,117**	**-**	**21,427,899**	20,619,288
Total expenditure	7	**24,945,480**	**138,796**	**-**	**25,084,276**	24,207,342
Net incoming/(outgoing) funds from operations before transfers and investment gains		**(261,608)**	**472,766**	**-**	**211,158**	(1,142,310)
Gains on investments		**462,374**	**14,727**	**-**	**477,101**	25,270
Transfers between funds		**19,651**	**-**	**(19,651)**	**-**	-
Net movement in funds		**220,417**	**487,493**	**(19,651)**	**688,259**	(1,117,040)
Fund balances at 1 September 2020		**16,532,963**	**271,853**	**550,238**	**17,355,054**	18,472,094
Fund balances at 31 August 2021	17	**16,753,380**	**759,346**	**530,587**	**18,043,313**	17,355,054

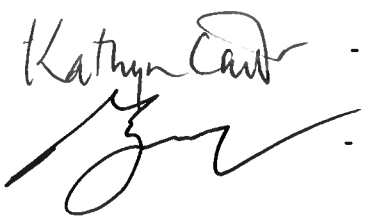
The notes on pages 25 to 50 form part of these financial statements.

THE DEAN CLOSE FOUNDATION

FOUNDATION AND CONSOLIDATED BALANCE SHEETS AS AT 31 AUGUST 2021
REGISTERED NUMBER: 04193948

	Notes	**Group 2021 £**	Group 2020 £	**Foundation 2021 £**	Foundation 2020 £
Fixed assets					
Intangible	8	**665,329**	776,217	**-**	-
Negative goodwill	9	**(76,670)**	-	**(76,670)**	-
Tangible	10	**31,969,783**	28,061,579	**31,755,723**	27,945,498
Investments	11	**3,381,739**	2,862,746	**5,123,016**	4,714,911
		35,940,181	31,700,542	**36,802,069**	32,660,409
Current assets					
Stocks		**120,031**	135,429	**12,814**	9,350
Debtors	12	**1,606,685**	1,635,878	**1,448,419**	1,534,609
Cash at bank and in hand		**74,293**	187,060	**45,088**	102,155
		1,801,009	1,958,367	**1,506,321**	1,646,114
Current liabilities					
Creditors payable within one year	13	**(9,634,753)**	(8,019,127)	**(10,209,902)**	(8,674,689)
Net current liabilities		**(7,833,744)**	(6,060,760)	**(8,703,581)**	(7,028,575)
Total assets less current liabilities		**28,106,437**	25,639,782	**28,098,488**	25,631,834
Long term liabilities					
Creditors payable after one year	14	**(10,063,124)**	(8,284,728)	**(10,063,124)**	(8,284,728)
Net assets		**18,043,313**	17,355,054	**18,035,364**	17,347,106
Financed by:					
Endowed funds	17a	**530,587**	550,238	**530,587**	550,238
Restricted funds	17b	**759,346**	271,853	**759,346**	271,853
Unrestricted funds	17c	**16,753,380**	16,532,963	**16,745,431**	16,525,015
Total funds	17	**18,043,313**	17,355,054	**18,035,364**	17,347,106

The net result for the financial year dealt with in the financial statements of the parent charity was a surplus of £688,259 (2020: deficit £1,114,086). The financial statements were approved and authorised for issue by the Board of The Dean Close Foundation on 4 December 2021 and signed on its behalf by:



- Kathryn Carden
Chairman

- Matthew Smith
Treasurer

The notes on pages 25 to 50 form part of these financial statements.

THE DEAN CLOSE FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Group 2021 £	Group 2020 £
Reconciliation of net incoming/(outgoing) resources to net cash inflow from operating activities			
Net incoming/(outgoing) funds from operations		**211,158**	(1,142,310)
Elimination of non-operating cashflows:			
Investment income		**(118,194)**	(122,524)
Finance costs		**284,242**	234,641
Depreciation charge	10	**1,221,737**	1,217,966
Loss/(profit) on disposal of assets	5	**3,160**	(900)
Amortisation of goodwill on acquisition	8	**110,888**	110,888
Amortisation of negative goodwill on acquisition	9	**(2,643)**	-
Negative goodwill gain on acquisition		**79,313**	-
Decrease/(increase) in stock		**15,398**	(15,360)
Decrease in debtors		**29,193**	279,260
Increase in creditors (excluding fees in advance and deposits and composition fees)		**1,081,941**	833,716
Increase/(decrease) in fees in advance, deposits and composition fees		**882,038**	(1,163,661)
Net cash inflow from operations		**3,798,231**	231,716
Cash flows used in investing activities			
Purchase of tangible fixed assets	10	**(5,144,672)**	(617,784)
Proceeds from sale of tangible fixed assets		**11,571**	900
(Additions to)/ withdrawals from investment portfolio		**(41,892)**	(37,841)
Investment income and bank interest received		**118,194**	122,524
Net cash used in investing activities		**(5,056,799)**	(532,201)
Cash flows provided by financing activities			
Finance costs paid		**(284,242)**	(234,641)
New bank loan		**-**	705,000
New other loan		**1,821,376**	-
Repayment of secured loans		**-**	(444,445)
Net cash provided by financing activities		**1,537,134**	25,914
Change in cash and cash equivalents in the year		**278,566**	(274,571)
Cash and cash equivalents at the beginning of the year		**(224,074)**	50,497
Cash and cash equivalents at the end of the year		**54,492**	(224,074)
Analysis of cash and cash equivalents			
Cash at bank		**74,293**	187,060
Bank overdrafts	13	**(19,801)**	(411,134)
		54,492	(224,074)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1 STATEMENT OF ACCOUNTING POLICIES

(a) Charity information

The Dean Close Foundation is a charitable company limited by guarantee incorporated in England (charity number 1086829 and company number 04193948) and is a Public Benefit Entity operating from its registered office Shelburne Road, Cheltenham, GL51 6HE.

(b) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (2nd edition effective 1 January 2019). The financial statements have been prepared on the historical cost basis of accounting, as modified by the revaluation of investments, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities SORP (FRS 102) and the accounting policies set out below.

The functional currency of the Foundation is considered to be GBP because that is the currency of the primary economic environment in which the Foundation operates.

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity-only Cash Flow Statement within the consolidated financial statements.

No separate Statement of Financial Activities has been presented for the Foundation alone, as permitted by Section 408 of the Companies Act 2006. The net results of the parent Charity are disclosed on page 22.

Going Concern

As part of the Trustee's responsibilities of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of scenarios have been considered. The assumptions modelled are based on the estimated potential impact of COVID-19 restrictions and regulations, along with our proposed responses over the course of the next 18 months. The most severe risk identified is a downturn in pupil numbers and the impact that this would have on the Foundation's cash flow. In this event, the Trustees measured response would be to place a moratorium on all but essential capital expenditure, to make further cost savings where appropriate to do so and if necessary to liquidate investments held as detailed in note 11 in order to enable the Foundation to operate within its current or increased borrowing facilities.

On the basis of this review, these financial statements have been prepared on a Going Concern basis, which the Trustees consider to be appropriate based on the results for the year ending 31 August 2021 and cash flow projections prepared for the period 31 August 2022 and beyond. The cash flow projections indicate that the Group will be able to meet its liabilities as they fall due and will be able to operate within the facilities currently available. The Trustees consider that there are no material uncertainties over the Foundation's financial viability.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Judgments in applying Accounting Policies and Key Sources of Estimation Uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgments have been made include the following:

(i) Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charge for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 8, 9 and 10 for the carrying amount of the assets and notes 1(h), (i) and (j) for the useful lives for each class of assets.

(ii) Impairment of investments

When assessing impairment of the investments, management considers factors including the financial results, future outlook, net assets and market value of each investment. See note 11 for the net carrying amount of investments.

(iii) Impairment of debtors

The group makes an estimate of the recoverable value of trade and fee debtors. When assessing impairment of trade and fee debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors.

(c) Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of The Dean Close Foundation and its three subsidiary Companies, Dean Close Services Limited, Dean Close Nurseries Limited and Nursery Childcare Services (UK) Limited, Dean Close General Charitable Trust and certain Scholarship Funds made up to 31 August 2021. Dean Close Services Limited manages and lets property on behalf of the Foundation and operates the School shops and the Bacon Theatre. Dean Close Nurseries Limited operated five children's day nurseries during the year under review. The trade, assets and liabilities of Nursery Childcare Services (UK) Limited were transferred directly to Dean Close Nurseries Limited on 1 September 2017 and Nursery Childcare Services (UK) Limited has not traded since this date. On 28 April 2020, an application was made to dissolve Nursery Childcare Services (UK) Limited and the company was duly dissolved on 6 October 2020. All intra group sales and profits are eliminated fully on consolidation.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(d) Incoming resources

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. School fee income represents fees receivable, including additional charges, less concessions.

Amounts received under the School's Advance Fee Scheme contracts for education not yet utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided with 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

Non-charitable trading

Income from non-charitable trading represents the turnover from the trading activities of the subsidiary companies, Dean Close Services Limited and Dean Close Nurseries Limited and is recognised when the company has earnt entitlement to the revenues.

Investment Income

Dividend income is accounted for at the date on which the Charity has entitlement to the dividend. Interest on bank balances and fixed income securities are accounted for in the period in which interest is earned.

(e) Government grants: Job Retention Scheme

Income from Government grants, whether "capital" grants or "revenue" grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlement occurs before income is received, the income is accrued. Where income is received in advance of the Group having entitlement to the funds, the income is deferred.

The total amount of Government grants received totalled £231,397 (2020: £1,155,464) and there are no unfulfilled conditions associated with this grant. The company has not received any other forms of Government assistance.

(f) Donations

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and economic benefit to the Charity is considered probable. Donations receivable for the general purposes of the Charity are credited to "other unrestricted funds", to distinguish them from direct Foundation income. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Trustees. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or of the value to the Foundation in the case of donated services or facilities.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(g) Expenditure

Expenditure is accounted for on an accruals basis as soon as a liability is considered probable, discounted to present value for longer term liabilities. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of the Trustees' best estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Cost of generating funds includes all the financing costs of the entity in addition to the costs of the development office and trading expenditure of the subsidiary companies accounted for on an accruals basis.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Trustees, and all the costs of complying with constitutional and statutory requirements, such as the costs of Trustees meetings and of preparing statutory accounts and satisfying public accountability.

(h) Goodwill and amortisation

Goodwill is the difference between the amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities.

Amortisation is provided on goodwill at rates calculated to write off the cost on a straight line basis over its expected useful life as follows:

Goodwill on acquisition of Nursery Childcare Services (UK) Limited	10% on cost

(i) Negative goodwill

Negative goodwill is the difference between the fair value of the assets and liabilities acquired of a business and the amount paid on acquisition.

Negative goodwill is credited to incoming resources on a straight line basis over its expected useful life as follows:

Negative goodwill on Asset Purchase of Airthrie School LLP	20% on valuation

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(j) Fixed assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation. Items costing less than £5,000 are written off as an expense on acquisition.

Depreciation is calculated so that tangible fixed assets are written off over their currently estimated useful lives at annual rates, which are as follows: -

Freehold land	Nil
Freehold property	2% - 6.67% on cost
Plant and equipment	2%/10%/20% on cost
Theatre equipment	10% on cost
Fixtures and fittings	20% on cost
Motor vehicles	20% on cost
School shop equipment	20% on cost
Computer equipment	10% - 25% on cost

Assets under construction are not depreciated until they are brought into use.

(k) Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

(l) Stocks

Stocks are stated in the balance sheet at the lower of cost and net realisable value after making due allowances for obsolete and slow moving stock.

(m) Debtors

Short term debtors are measured at transaction price, less any impairment.

(n) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

(o) Creditors

Short term creditors are measured at the transaction price.

(p) Taxation

The Dean Close Foundation is a registered charity and is not liable to Corporation Tax or Income Tax on all its income and gains properly applied for its charitable purposes. Dean Close Services Limited, Dean Close Nurseries Limited and Nursery Childcare Services (UK) Limited, trading subsidiaries of the Foundation, are liable to Corporation Tax.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(q) Pension costs

Teaching Staff

The scheme is a multi-employer pension scheme. It is not possible to identify the Charity's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the scheme is accounted for as if it were a defined contribution scheme. The Charity'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 Charity also operates a defined contribution group personal pension plan with AVIVA. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

All pension costs are allocated to unrestricted funds, this being the fund from which wages and salaries are paid.

Non-Teaching Staff

The Charity operates three defined contribution group personal pension plans for its non-teaching staff with Scottish Equitable, Standard Life and AVIVA. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

All pension costs are allocated to unrestricted funds, this being the fund from which wages and salaries are paid.

(r) Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investments in subsidiaries are valued at cost less provision for impairment.

(s) Composition fees

The Charity operates a composition fee scheme for parents. Income arising is treated as general income of the Foundation, out of which provision for future fee liabilities under the scheme is made.

(t) Recognition of liabilities

Liabilities are recognised when the Charity has an obligation to make payment to a third party.

(u) Redundancy

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

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(v) Funds policy

Unrestricted funds are funds that are available for use at the discretion of the Trustees in furtherance of the objects of the Charity.

Designated funds are unrestricted funds which have been set aside by Trustees for specific purposes.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes.

The Charity holds a grant under permanent endowment. Any income arising on the Permanent Endowment Fund is treated as restricted income of the Charity.

Expendable endowment funds represent the expendable endowment of the Charity. The funds are expendable at the discretion of the Trustees.

(w) Financial instruments

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

2 Charitable activities – fees receivable

	2021	2020
	£	£
Fees receivable comprise:		
School fees	**24,303,928**	22,069,429
Allowances		
Bursaries, clergy and concessionary fees	**(3,064,527)**	(2,788,754)
Scholarships and exhibition awards	**(1,304,410)**	(1,217,377)
	19,934,991	18,063,298
Add back: Bursaries, scholarships and awards paid for by restricted funds	**132,799**	68,517
	20,067,790	18,131,815

Scholarships, bursaries and exhibition awards paid for out of Restricted funds were £132,799 (2020: £68,517).

3 Income from subsidiary's trading activities

(a) The Charity owns the whole of the ordinary share capital of Dean Close Services Limited (registered number 02627579, registered office Shelburne Road, Cheltenham, GL51 6HE), whose trading activities include the school shops, and management and letting of facilities on behalf of the Charity such as the Bacon Theatre.

The following trading results for the subsidiary are incorporated in the Consolidated Statement of Financial Activities:

	2021 £	2020 £
Turnover	**387,122**	459,564
Cost of sales	**(141,453)**	(139,905)
Gross profit	**245,669**	319,659
Administrative expenses	**(209,418)**	(270,984)
Governance costs	**(1,850)**	(1,850)
Operating profit	**34,401**	46,825
Donation made under gift aid to the Foundation	**(34,401)**	(49,778)
Retained loss for the financial year	**-**	(2,953)
Total assets	**322,129**	262,051
Total liabilities	**194,180**	134,102
Share capital	**120,000**	120,000
Profit and loss account	**7,949**	7,949
Shareholder's funds	**127,949**	127,949

The subsidiary donated taxable profits to the Charity of £34,401 (2020: £49,778) under the Gift Aid Scheme.

Included in administration expenses are £184,710 (2020: £204,901) paid to The Dean Close Foundation. These transactions were eliminated on consolidation. At the year end, £14,004 was owed by The Dean Close Foundation (2020: £29,024).

3 Income from subsidiary's trading activities (continued)

(b) The Charity owns the whole of the ordinary share capital of Dean Close Nurseries Limited (registered number 09635445, registered office Shelburne Road, Cheltenham, GL51 6HE), whose trading activities during the year under review include the provision of nursery care operating from five sites.

The following trading results for the subsidiary are included in the Consolidated Statement of Financial Activities:

	2021 £	2020 £
Turnover	**3,650,163**	2,833,681
Operating expenses	**(165,370)**	(161,652)
Gross profit	**3,484,793**	2,672,029
Government grant income	**2,704**	239,474
Administrative expenses	**(2,752,617)**	(2,610,816)
Governance costs	**(3,350)**	(3,350)
Operating profit	**731,530**	297,337
Donation made under gift aid to the Foundation	**(731,530)**	(297,337)
Retained profit for the financial year	**-**	-
Total assets	**1,068,832**	1,064,712
Total liabilities	**112,883**	108,763
Share capital	**10,000**	10,000
Profit and loss account	**945,949**	945,949
Shareholder's funds	**955,949**	955,949

The subsidiary donated £731,530 (2020: £297,337) taxable profits to the Charity under the Gift Aid Scheme.

Included in administration expenses are £2,226,933 (2020: £2,307,438) paid to The Dean Close Foundation. These transactions were eliminated on consolidation. At the year end, £868,208 (2020: £869,402) was owed by The Dean Close Foundation.

3 Income from subsidiary's trading activities (continued)

(c) On 1 September 2017, the Foundation acquired the whole of the ordinary share capital of Nursery Childcare Services (UK) Limited (registered number 04344654, registered office 67, Lansdown Road, Cheltenham, GL51 6QD), whose activities used to comprise the provision of nursery child-care operating from two sites trading under the name of TreeTops. On 1 September 2017, the trade, assets and liabilities of Nursery Childcare Services (UK) Limited were transferred to Dean Close Nurseries Limited (see note 3b) and it has not traded since this date. On 28 April 2020 an application was made to dissolve Nursery Childcare Services (UK) Limited and the company was duly dissolved on 6 October 2020.

4 Charitable activities - ancillary trading income

	2021	2020
	£	£
Registration fees	**36,355**	37,372
Holiday courses	**130,650**	-
Pupils insurance discounts	**12,529**	16,482
Sundry receipts	**68,483**	119,833
School trips and activities	**13,800**	82,675
	261,817	256,362

5 Net incoming/(outgoing) resources

This is stated after charging/(crediting):

	Group 2021	**Foundation 2021**	Group 2020	Foundation 2020
	£	**£**	£	£
Depreciation of tangible fixed assets	**1,221,737**	**1,175,416**	1,217,966	1,172,037
Amortisation of goodwill	**110,888**	**-**	110,888	-
Amortisation of negative goodwill	**(2,643)**	**(2,643)**	-	-
Auditor's remuneration:				
- Fees payable for the audit of the financial statements	**26,550**	**21,350**	24,550	19,350
- Tax and other advisory services	**2,000**	**-**	2,000	-
Operating leases:				
- Plant and Machinery	**-**	**-**	24,767	24,237
- Property	**320,919**	**320,919**	301,659	301,659
Interest payable	**254,683**	**254,683**	217,121	217,121
Loss/(profit) on disposal of tangible fixed assets	**3,160**	**3,160**	(900)	(900)

6 Staff costs

	2021 £	2020 £
Wages and salaries	**13,696,790**	13,427,845
Social security costs	**1,178,842**	1,133,404
Pension contributions - Teachers' Pension Scheme	**1,611,620**	1,631,548
Pension contributions – other	**213,742**	205,176
Other costs	**83,740**	142,115
Total direct costs of employment	**16,784,734**	16,540,088

	2021 £	2020 £
Aggregate employee – benefits of key management personnel	**744,300**	681,346

The average number of staff during the year was:

	2021 Headcount	2020 Headcount
Teaching Staff	**298**	315
Nursery Staff	**134**	136
Administration support:		
Welfare	**82**	86
Premises	**25**	26
Support	**118**	109
Administration of charity	**1**	1
	658	673

The number of higher paid employees was:

	2021 No.	2020 No.
£60,001 - £70,000	**9**	10
£70,001 - £80,000	**2**	3
£80,001 - £90,000	**2**	-
£100,001 - £110,000	**1**	1
£130,001 - £140,000	**-**	1
£140,001 - £150,000	**1**	-

In the year, contributions were made for 12 (2020:13) higher paid employees, to the Teachers' Pension Scheme, a defined benefit scheme and contributions were made for 3 (2020: 1) higher paid employee to a defined contribution scheme.

The Trustees received £Nil (2020: £Nil) remuneration during the year.

During the year, there were redundancy or termination payments made which amounted to £82,081 (2020: £142,248). At the year end £11,592 was outstanding (2020: £58,541).

7 (a) Analysis of expenditure

	Staff costs £	Other costs £	Depreciation £	Total 2021 £	Total 2020 £
Costs of generating funds					
Trading costs	**2,292,965**	**934,771**	**46,322**	**3,274,058**	3,234,059
Financing costs	**-**	**284,242**	**-**	**284,242**	234,641
Investment management fees	**-**	**22,004**	**-**	**22,004**	19,275
Development costs	**62,650**	**13,423**	**-**	**76,073**	100,079
Total costs of generating funds	**2,355,615**	**1,254,440**	**46,322**	**3,656,377**	3,588,054
Charitable activities					
Education and grant making					
Teaching	**10,804,378**	**364,758**	**-**	**11,169,136**	11,309,319
Welfare	**788,857**	**1,553,833**	**-**	**2,342,690**	1,967,252
Premises	**525,994**	**1,690,254**	**697,968**	**2,914,216**	2,627,694
Support costs and governance	**2,309,890**	**2,081,721**	**477,447**	**4,869,058**	4,646,506
Grants, awards and prizes	**-**	**132,799**	**-**	**132,799**	68,517
Total charitable expenditure	**14,429,119**	**5,823,365**	**1,175,415**	**21,427,899**	20,619,288
Total expended	**16,784,734**	**7,077,805**	**1,221,737**	**25,084,276**	24,207,342

7 (b) Governance included in support costs

	2021 £	2020 £
Remuneration paid to auditor	**26,550**	24,550
Reimbursement of personal expenses to Trustees	**735**	3,115
Other governance costs	**5,018**	5,772
	32,303	33,437

Of the Trustees 2 (2020:4) received a total of £735 (2020: £3,115) in respect of repayment of travel and accommodation costs and attendance at training and conferences.

8 Intangible fixed assets – Group only

	Total Goodwill £
Cost	
At 1 September 2020 and 31 August 2021	**1,108,881**
Amortisation	
At 1 September 2020	332,664
Charge for the year	110,888
At 31 August 2021	**443,552**
Net book value	
At 31 August 2021	**665,329**
At 31 August 2020	776,217

Goodwill arose from the acquisition of the shares in Nursery Childcare Services (UK) Limited on 1 September 2018, which held two profitable nurseries which were transferred to another group entity.

Goodwill is amortised over the Trustees' estimate of its useful life of 10 years.

9 Negative goodwill – Group and Foundation

	Total Negative Goodwill £
Cost	
At 1 September 2020	-
Arising on acquisition	(79,313)
At 31 August 2021	**(79,313)**
Amortisation	
At 1 September 2020	-
Credit for the year	2,643
At 31 August 2021	**2,643**
Net book value	
At 31 August 2021	**(76,670)**
At 31 August 2020	-

Negative goodwill arose from the Asset Purchase of Airthrie School LLP on 5 July 2021. These assets are included in the financial statements at fair value of £2,079,313 together with associated costs and are in respect of tangible fixed assets (see note 10). The difference between the valuation and purchase price resulted in negative goodwill of £79,313. This sum is being credited back to incoming resources in the Statement of Financial Activities over a 5 year period on a straight line basis.

10 Tangible fixed assets - Group

	Freehold land and property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Total £
Cost					
At 1 September 2020	34,365,202	70,248	3,017,481	4,462,648	**41,915,579**
Additions	888,539	1,185,440	518,262	407,858	**3,000,099**
Additions (acquisition)	2,115,260	-	14,759	14,554	**2,144,573**
Disposals	-	(7,642)	(441,415)	(148,370)	**(597,427)**
At 31 August 2021	**37,369,001**	**1,248,046**	**3,109,087**	**4,736,690**	**46,462,824**
Depreciation					
At 1 September 2020	8,923,035	-	2,205,235	2,725,730	**13,854,000**
Charge for the year	697,964	-	258,732	265,041	**1,221,737**
Disposals	-	-	(441,415)	(141,281)	**(582,696)**
At 31 August 2021	**9,620,999**	**-**	**2,022,552**	**2,849,490**	**14,493,041**
Net book value					
At 31 August 2021	**27,748,002**	**1,248,046**	**1,086,535**	**1,887,200**	**31,969,783**
At 31 August 2020	25,442,167	70,248	812,246	1,736,918	28,061,579

Tangible fixed assets – The Dean Close Foundation

	Freehold land and property £	Assets under construction £	Fixtures and fittings £	Plant and equipment £	Total £
Cost					
At 1 September 2020	34,365,202	70,248	2,834,234	4,351,504	**41,621,188**
Additions	888,539	1,185,440	480,874	300,946	**2,855,799**
Additions (acquisition)	2,115,260	-	14,759	14,554	**2,144,573**
Disposals	-	(7,642)	(441,415)	(140,356)	**(589,413)**
At 31 August 2021	**37,369,001**	**1,248,046**	**2,888,452**	**4,526,648**	**46,032,147**
Depreciation					
At 1 September 2020	8,923,035	-	2,123,913	2,628,742	**13,675,690**
Charge for the year	697,965	-	221,712	255,739	**1,175,416**
Disposals	-	-	(441,415)	(133,267)	**(574,682)**
At 31 August 2021	**9,621,000**	**-**	**1,904,210**	**2,751,214**	**14,276,424**
Net book value					
At 31 August 2021	**27,748,001**	**1,248,046**	**984,242**	**1,775,434**	**31,755,723**
At 31 August 2020	25,442,167	70,248	710,321	1,722,762	27,945,498

11(a) Investments

	Group 2021 £	Group 2020 £
At 1 September 2020	**2,862,746**	2,799,635
Realised gains/(losses)	**61,963**	(79,024)
Unrealised gains	**415,138**	104,280
Management fees	**(22,004)**	(19,275)
Dividends reinvested	**63,896**	57,130
At 31 August 2021	**3,381,739**	2,862,746

Details of the additions and disposals during the year are shown in the Cash Flow Statement.

These balances can be further analysed as follows:

	Group 2021 £	Foundation 2021 £	Group 2020 £	Foundation 2020 £
(a) Investment in subsidiaries	-	**1,741,277**	-	1,852,165
(b) Other Investments at market value:	**3,290,224**	**3,290,224**	2,727,515	2,727,515
(c) Investments held in cash	**91,515**	**91,515**	135,231	135,231
	3,381,739	**5,123,016**	2,862,746	4,714,911

11(b) Investments – Group

Investments held on non-UK stock markets totalled £704,536 (2020: £1,243,185). Within the investment portfolio the Charity holds 515 units of Edgewood L Select Fund (US Select Growth) with a market value of £188,046 (2020: 33,280 units of Fundsmith LLP Equity I Income with a market value of £159,910). There are no other specific investments which represent more than 5% of the overall investment portfolio.

The market values of quoted investments held at 31 August 2021 are based upon stock market quoted prices at the year end date.

11(c) Investment income

	2021 £	2020 £
Dividends from managed funds	**65,808**	56,841
Interest on government stocks	**187**	93
Interest on cash deposits	**-**	214
Rental income on property	**33,500**	33,500
	99,495	90,648

12 Debtors

	Group 2021 £	Foundation 2021 £	Group 2020 £	Foundation 2020 £
Fees and extras (less provision for bad debts)	**1,035,390**	**1,000,651**	905,785	887,836
Other debtors	**143,588**	**71,868**	207,966	167,478
Prepayments and accrued income	**427,707**	**375,900**	522,127	479,295
	1,606,685	**1,448,419**	1,635,878	1,534,609

Fees and extras are stated after impairment provisions totalling £415,411 (2020: £334,444).

13 Creditors: amounts falling due within one year

	Group 2021 £	Foundation 2021 £	Group 2020 £	Foundation 2020 £
Bank loans (see note 14)	**385,000**	**385,000**	-	-
Other loan (see note 14)	**71,376**	**71,376**	-	-
Bank overdraft	**19,801**	**19,801**	411,134	411,134
Fees received in advance	**2,139,233**	**2,139,233**	1,865,922	1,865,922
Trade creditors	**813,235**	**738,298**	714,147	654,374
Amounts owed to subsidiaries	**-**	**882,212**	-	898,426
Taxation and social security	**2,200,319**	**2,200,319**	1,637,997	1,637,997
Other creditors	**300,983**	**280,200**	399,180	359,045
Accruals and deferred income	**879,409**	**668,066**	360,681	217,725
Deposits held	**2,235,923**	**2,235,923**	2,092,282	2,092,282
	9,045,279	**9,620,428**	7,481,343	8,136,905
Composition fees (see note 15)	**589,474**	**589,474**	537,784	537,784
	9,634,753	**10,209,902**	8,019,127	8,674,689

14 Creditors: amounts falling due after more than one year

	Group 2021 £	Foundation 2021 £	Group 2020 £	Foundation 2020 £
Bank loans (see below)	**7,314,800**	**7,314,800**	7,699,800	7,699,800
Other loan (see below)	**1,750,000**	**1,750,000**	-	-
Composition fees (note 15)	**998,324**	**998,324**	584,928	584,928
	10,063,124	**10,063,124**	8,284,728	8,284,728

The bank loan is repayable by instalments

	2021 £	2020 £
Over 5 years	**5,774,800**	6,159,840
Within 2 to 5 years	**1,155,000**	1,154,970
Within 1 to 2 years	**385,000**	384,990
	7,314,800	7,699,800
Within 1 year (note 13)	**385,000**	-
	7,699,800	7,699,800

On 5 February 2021, formal repayment terms were agreed relating to the existing bank loan of £7,699,800. The maximum facility limit is £7.7m which is repayable in 60 instalments of £128,333.34 payable on 31 January, 30 April and 30 September of each year. The interest rate on the loan is 1.98% above Bank of England Base Rate. The loan is secured on certain freehold properties.

On 7 September 2021, a further loan of £750,000 was agreed which was drawn down on 27 September 2021 with the funds credited to the bank current account, this sum having been drawn from the bank overdraft facility in July 2021 to finance the purchase of a property. The loan is repayable over a 3 year term commencing on 27 October 2021 in 35 monthly instalments of £3,819.42 (capital and interest) with the remaining balance due no later than 27 September 2024. The interest rate on the loan is 1.97% over the Bank of England Base Rate. The loan is secured on certain freehold properties.

The other loan is repayable by instalments

	2021 £	2020 £
Over 5 years	**1,275,000**	-
Within 2 to 5 years	**375,000**	-
Within 1 to 2 years	**100,000**	-
	1,750,000	-
Within 1 year (note 14)	**71,376**	-
	1,821,376	-

The other loan is in respect of the Asset Purchase of Airthrie School LLP and is secured on certain freehold property. The loan is repayable over a 15 year term with annual repayments commencing on 5 July 2022. The interest rate is fixed at 1%.

15 Creditors: composition fees

Parents may pay the school tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils will remain in the Charity's schools, the amounts due will be applied as follows:

	Group and Foundation 2021	Group and Foundation 2020
	£	£
Greater than 5 years	**41,504**	34,318
Within 2 to 5 years	**504,155**	340,393
Within 1 to 2 years	**452,665**	210,217
	998,324	584,928
Within 1 year (see note 13)	**589,474**	537,784
	1,587,798	1,122,712

Discounts are given on composition fee accounts in accordance with the rate as set out in the individual signed agreements.

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

	£
Balance at 1 September 2020	1,122,712
New contracts	1,312,220
Refunds	(159,137)
Amounts utilised in payment of fees to the Charity	(708,774)
Discounts given	20,777
Balance at 31 August 2021	**1,587,798**

16 Financial instruments

	Group 2021 £	Foundation 2021 £	Group 2020 £	Foundation 2020 £
Financial assets measured at fair value	**3,381,739**	**3,381,739**	2,862,746	2,862,746

Financial assets held at fair value include assets held as investments

17 Net assets of the funds of the Group and The Dean Close Foundation

The net assets held as at 31 August 2021 for the various funds are as follows:

	Goodwill on consolidation £	Fixed assets and Investments £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Endowed funds	-	530,587	-	-	**530,587**
Restricted funds	-	759,346	-	-	**759,346**
General funds	-	35,512,136	(8,703,581)	(10,063,124)	**16,745,431**
Foundation	-	36,802,069	(8,703,581)	(10,063,124)	**18,035,364**
Subsidiary and other funds	(945,947)	214,059	869,837	-	**137,949**
Consolidation adjustments	1,611,276	(1,741,276)	-	-	**(130,000)**
Group	665,329	35,274,852	(7,833,744)	(10,063,124)	**18,043,313**

17 Net assets of the funds of the Group and the Dean Close Foundation (continued)

Comparative 2020	Goodwill on consolidation	Fixed assets and Investments	Net current assets/ (liabilities)	Long term liabilities	Total
	£	£	£	£	£
Endowed funds	-	550,238	-	-	550,238
Restricted funds	-	271,853	-	-	271,853
General funds	-	31,838,318	(7,028,575)	(8,284,728)	16,525,015
Foundation	-	32,660,409	(7,028,575)	(8,284,728)	17,347,106
Subsidiary and other funds	(945,947)	116,080	967,815	-	137,948
Consolidation adjustments	1,722,164	(1,852,164)	-	-	(130,000)
Group	776,217	30,924,325	(6,060,760)	(8,284,728)	17,355,054

17(a) Endowed funds: Movements in the year (Group and Foundation)

	Balance at 1 September 2020 £	Incoming endowments £	Amounts expended £	Transfers £	Balance at 31 August 2021 £
Permanent endowments:					
Arts Council Grant	550,238	-	-	(19,651)	**530,587**

The grant received from the Arts Council in respect of the construction in 1997 of the new Music School amounted to £982,561. This is being amortised over the useful life of the Music School, with the amortisation charge of £19,651 for the year being transferred to unrestricted funds.

The grant is an endowment fund by virtue of its purpose being to provide Arts in the community by building the Music School and is subject to certain conditions being met.

Comparative 2020	Balance at 1 September 2019 £	Incoming endowments £	Amounts expended £	Transfers £	Balance at 31 August 2020 £
Permanent endowments:					
Arts Council Grant	569,889	-	-	(19,651)	550,238

17(b) Restricted funds: Movements in the year (Group and Foundation)

	Balance at 1 September 2020 £	Incoming resources £	Amounts expended £	Transfers and Investment gains £	Balance at 31 August 2021 £
Prize, Scholarships and other funds	258,949	112,927	(138,796)	14,727	**247,807**
Quad Redevelopment	-	498,635	-	-	**498,635**
Private Family Charitable Trust	12,904	-	-	-	**12,904**
	271,853	611,562	(138,796)	14,727	**759,346**

Prize, Scholarships and other funds consist of a number of individual bequests received from individual donors and are utilised in accordance with donors' wishes. The Quad Redevelopment fund consist of a number of individual donations received from individual donors and are utilised in accordance with donors' wishes to assist with the funding of the Academic Quad Redevelopment at the Senior School.

Comparative Funds 2020	Balance at 1 September 2019 £	Incoming resources £	Amounts expended £	Transfers and Investment gains £	Balance at 31 August 2020 £
Chapel Organ Campaign Fund	4,736	-	-	(4,736)	-
Prize, Scholarships and other funds	220,438	137,966	(70,756)	(28,699)	258,949
Private Family Charitable Trust	15,424	-	(2,520)	-	12,904
	240,598	137,966	(73,276)	(33,435)	271,853

17(c) Unrestricted funds: Movements in the year

	Balance at 1 September 2020 £	Incoming resources £	Amounts expended £	Transfers and Investment gains £	Balance at 31 August 2021 £
General fund	16,532,963	24,683,872	(24,945,480)	482,025	**16,753,380**

The General fund includes £16,745,431 (2020: £16,525,015) net assets in respect of funds held by the Foundation. On consolidation, amortisation of goodwill totalling £110,888 was added to the amounts expended which is included in the figure above. Transfers and Investment gains within the General fund include £19,651 transferred from endowed funds. Further details of the transfers are included in notes 17a and 17b.

Comparative 2020	Balance at 1 September 2019 £	Incoming resources £	Amounts expended £	Transfers and Investment gains £	Balance at 31 August 2020 £
General fund	17,661,607	22,927,066	(24,134,066)	78,356	16,532,963

18 Capital commitments

The Group and Foundation had capital commitments at 31 August 2021 contracted for but not provided in these accounts for freehold property of £148,397 (2020 £Nil)

19 Operating lease commitments

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

	Group 2021 £	Foundation 2021 £	Group 2020 £	Foundation 2020 £
Expiring within 1 year	**322,107**	**322,107**	301,659	301,659
Expiring within 1 to 5 years	**1,153,350**	**1,153,350**	1,190,400	1,190,400
Expiring greater than 5 years	**1,560,000**	**1,560,000**	1,158,150	1,158,150

20 Pension Schemes

The Charity participates in the Teachers' Pension Scheme ("the TPS") for the majority of its teaching staff. The pension charge for the year includes employer contributions payable to the TPS of £1,611,620 (2020: £1,631,548) and at the year-end £189,517 (2020: £180,927) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The Government announced on 4 February 2021 that it intends to proceed with a deferred choice under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

The Charity also operates three workplace pension schemes on a defined contribution basis. Employer contributions for the year amounted to £213,742 (2020: £205,176), and at the year-end £39,495 (2020: £35,842) was accrued in respect of contributions to this scheme.

21 Related party transactions

In accordance with CC29 – Conflicts of interest: A guide for charity Trustees, certain transactions between Trustees and the Charity are disclosable.

The Charity is a member of the Association of Governing Bodies of Independent Schools (AGBIS) which provides various membership rights. There was a refund of £185 relating to the attendance at seminars during the year (2020: cost of £185). The Chief Executive of AGBIS was a Trustee of the Charity until he retired as a Trustee on 1 February 2020.

Total donations of £2,335 were received from 3 Trustees during the year (2020: £Nil).

Apart from the aforementioned items, there were no related party transactions in the year or prior year, with the exception of those Trustees and key management who have children attending the Charity's schools. School fees incurred by Trustees are paid on a commercial arms' length basis, whilst key management can benefit from a staff concession that can be available to all eligible members of staff who have children attending the Foundation.

See note 3(a), 3(b) and 3(c) for details of the transactions which took place between the Charity and its wholly owned subsidiaries, Dean Close Services Limited, Dean Close Nurseries Limited and Nursery Childcare Services (UK) Limited in the year and any amounts outstanding at the year end.

The Ministry of Defence provides some funding each year for the purposes of the Dean Close Combined Cadet Force (CCF). A separate CCF bank account is held by the Charity. The CCF bank account balance as at 31 August 2021 was £5,529 (2020: £2,863).

22 Analysis of changes in net debt (Group)

	Balance at 1 September 2020 £	Cash flows £	Other non-cash changes £	Balance at 31 August 2021 £
Cash and cash equivalents				
Cash	187,060	(112,767)	-	**74,293**
Overdraft	(411,134)	391,333	-	**(19,801)**
	(224,074)	278,566	-	**54,492**
Borrowings				
Debt due within one year	-	(28,624)	(427,752)	**(456,376)**
Debt due after one year	(7,699,800)	-	(1,365,000)	**(9,064,800)**
	(7,699,800)	(28,624)	(1,792,752)	**(9,521,176)**
Total	(7,923,874)	249,942	(1,792,752)	**(9,466,684)**

23 Consolidated Statement of Financial Activities – Comparative figures by fund

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowed funds 2020 £	Total 2020 £
Income from:					
Charitable activities					
School fees receivable	2	18,131,815	-	-	18,131,815
Ancillary trading income	4	256,362		-	256,362
Government grant income		1,155,464	-		1,155,464
Other trading activities					
Non-ancillary trading income	3	3,293,245	-	-	3,293,245
Investments					
Investment income	11(c)	55,304	35,344	-	90,648
Bank and other interest		31,876	-	-	31,876
Voluntary sources					
Grants and donations		3,000	102,622	-	105,622
Total incoming resources		22,927,066	137,966	-	23,065,032
Expenditure on:					
Raising funds					
Non-ancillary trading	3	3,234,059	-	-	3,234,059
Financing costs		234,641	-	-	234,641
Investment management		18,680	595	-	19,275
Fundraising and development		100,079	-	-	100,079
Total deductible costs	7	3,587,459	595	-	3,588,054
Charitable activities					
Education and grant making		20,546,607	72,681	-	20,619,288
Total expenditure	7	24,134,066	73,276	-	24,207,342
Net outgoing funds from operations before transfers and investment gains		(1,207,000)	64,690	-	(1,142,310)
Gains on investments		24,490	780	-	25,270
Transfers between funds		53,866	(34,215)	(19,651)	-
Net movement in funds		(1,128,644)	31,255	(19,651)	(1,117,040)
Fund balances at 1 September 2019		17,661,607	240,598	569,889	18,472,094
Fund balances at 31 August 2020	17	16,532,963	271,853	550,238	17,355,054