

DENSTONE COLLEGE LIMITED

England & Wales · Charity number 1102588

Details

Status	Registered
Legal form	Charitable company
Company number	05010957
Registered	2004-03-11
Register	View on the Charity Commission register

Contact

Address	Denstone College Denstone Uttoxeter ST14 5HN
Phone	01889590484
Email	finance@denstonecollege.net
Website	www.denstonecollege.org

Activities

Objects: 3.1 BY CARRYING ON THE SCHOOL KNOWN AS DENSTONE COLLEGE AND ANY SCHOOL OR SCHOOLS ASSOCIATED WITH IT IN A MANNER WHICH DEVELOPS AND SUSTAINS A CHRISTIAN ENVIRONMENT CENTRED ON THE ANGLICAN TRADITION OF THE EUCHARIST AND AT WHICH A FUNDAMENTAL IMPORTANCE IS ATTACHED TO THE TEACHING OF THOSE PRINCIPLES; 3.2 PROMOTING AND SUPPORTING THE EFFICIENCY AND EFFECTIVENESS OF WOODARD CORPORATION; 3.3 PROMOTING THE USE OF THE FACILITIES OF ANY SCHOOL BY THE WIDER COMMUNITY AND (SAVE FOR PURPOSES INCIDENTAL AND ANCILLARY TO THOSE OBJECTS), NO OTHER PURPOSES

Activities: TO PROMOTE AND EXTEND EDUCATION IN ACCORDANCE WITH THE PRINCIPLES WHICH GOVERN THE CHARITY CALLED THE WOODARD CORPORATION WITHIN THE DIOCESE OF LICHFIELD BY CARRYING ON THE SCHOOL KNOWN AS DENSTONE COLLEGE

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** WITHIN THE DIOCESE OF LICHFIELD
- Staffordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£16,333,204	£15,133,378	£9,869,775	252
2024-08-31	£15,246,263	£14,733,614	£8,648,941	254
2023-08-31	£14,030,269	£13,643,726	£8,092,587	245
2022-08-31	£13,564,432	£11,974,068	£7,706,044	241
2021-08-31	£10,114,911	£10,074,944	£6,115,680	207
2020-08-31	£9,628,373	£9,843,705	£5,948,896	223

Trustees

Name	Role	Appointed
Professor Nigel Thomas Ratcliffe	Chair	2020-07-05
ANDREW DAVID COLEY		
Barbara Anne McNally-Young		2015-08-07
CHRISTOPHER JOHN LEWIS		2011-06-27
Captain Mark Gordon Huddy		2019-02-15
David Cooper		2019-06-26
David Thomas Brown		2022-12-01
Dr Qamar Siddiqi		2023-03-28
Gareth McAloon		2024-03-14
Gillian Martin		2025-11-19
Huw Jones		2024-06-19
Jack Sampson		2022-03-16
Malcolm F Coffin MA		2016-04-26

DENSTONE COLLEGE LIMITED

England & Wales - Charity number 1102588

Accounts

Charity Registration No. 1102588

Company Registration No. 05010957 (England and Wales)

DENSTONE COLLEGE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2025

DENSTONE COLLEGE LIMITED

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DENSTONE COLLEGE LIMITED

COMPANY INFORMATION

DIRECTORS AND ADVISORS

Directors

Prof N T Ratcliffe (Chair)
Mr D T Brown
Mr M F Coffin
Mr A D Coley
Mr D A Cooper
Capt. M G Huddy
Mr H R Jones
Mr C J Lewis
Mr G T McAloon
Mrs B A McNally-Young
Mrs J J Marshall (resigned 26 June 2025)
Mr J C Sampson
Dr Q Siddiqi

Charity No.

1102588

Company No.

05010957

Principal Address and Registered Office

Denstone College Ltd, Uttoxeter
Staffordshire, ST14 5HN

Key Management Personnel

Head

Miss L E Tulloch

Bursar/CFO

Mrs M A Walker

Auditor

Moore Kingston Smith LLP
6th Floor, 9 Appold Street, London, EC2A 2AP

Bankers

Lloyds Bank
1 Pride Hill, Shrewsbury, SY1 1DG

Solicitors

Veale Wasbrough Vizards LLP
Narrow Quay, Bristol, BS1 4QA

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

Martin Kaye
The Foundry, Euston Way, Telford, TF3 4LY

Investment Advisers

Cazenove Capital
1 London Wall Place, London, EC2Y 5AU

Insurance Brokers

Marsh
1 Tower Place West
Tower Place
London
EC3R 5BU

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

The directors present their report and financial statements for the year ended 31st August 2025 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in 2004 and is registered with the Charity Commission as charity number 1102588. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The charitable company is incorporated in the United Kingdom. Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The company is governed by Articles of Association as adopted by Special Resolution dated 2 July 2015 and 20 March 2013, replacing those dated 9 January 2004 amended by Special Resolution dated 25 January 2006. They permit funds to be managed in such a manner as the directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the company.

Governing Body

The Governors are the directors and charitable trustees of the company and comprise the governing body of Denstone College and are elected to hold office for five years. The school is governed by the governing body which operates using a number of committees. Membership of each committee is outlined on page 15. The governing body met 4 times during the year.

Recruitment and Training of Governors

All Governors are Fellows of the Woodard Corporation. Fellows are responsible for electing the Woodard Corporation Board. Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The governing body look to ensure a mix of skills and select new governors on the basis of background, competence, specialist skills and, in the case of Fellows, Christian commitment. Governors are provided with induction training by the Head, Bursar/CFO and staff and a wider programme of training events is organised by the Woodard Corporation.

Where possible the Governors consider that the skills and experience of the governing body should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.

One Governor may have one or more of these skills.

Volunteers

Volunteers are central to the school's operation. Its Governors offer their time without charge to manage the school's governance, often drawn from the ranks of OD's and parents. This volunteer base extends to other critical support functions, such as the independent listener, individuals helping children with reading in the Prep School, and those providing Chapel assistance. All these endeavours contribute significantly to community-building and relationship development, with some groups also undertaking fundraising to support specific small projects.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

Organisational Management

The school is governed by the governing body which delegates work to a number of committees. Membership of each committee is outlined on page 15. The directors determine the general policy of the company.

Compliance Committee – Risk Management, Health, Safety & Environment, GDPR, UKVI, security and inspection are agenda items. It met 3 times during the year.

Finance & General Purpose Committee – the Committee has a remit to consider budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It also considers financial policies and the financial regulations. Estates, building maintenance and capital development are also reviewed here. It makes recommendations to the full governing body for approval. The Committee met 4 times during the year.

Education Committee – the Education Committee is responsible for oversight of the academic performance of the school and educational policy, making recommendations to the full governing body. It met 3 times during the year.

Other committees include Development, IT, People, Remuneration and Safeguarding/Wellbeing.

The day-to-day management of the company is delegated to the Head and the Bursar/CFO as the Key Management personnel, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head oversees the recruitment of all educational staff, whilst under delegated authority the Bursar/CFO and Operations Director oversee the recruitment of administrative and non-teaching support staff. The Head and Bursar/CFO are invited to attend governors' meetings.

The remuneration of key management personnel is set by the governing body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school'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 school remains sensitive to the broader issues of pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at the relevant point within a band, providing scope for rewarding excellence. We recognise that delivery of the school's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Group Structure and Relationships

The company has a wholly owned non-charitable subsidiary, Denstone College Enterprises Limited, the activities and trading of which are described below. Note 33 provides details of connected charities.

We have a thriving alumni group, the Old Denstonians (OD's), who are generous in supporting the work of the school and whose support we greatly appreciate. We also cooperate with local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and extend education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

principles of the Church. The Church is defined as being the Church of England and churches in full communion with the See of Canterbury.

Intended impact

Woodard Schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education; and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They are strong Christian foundations which adhere to catholic belief as found in the Church, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain.

Aims

Denstone College is a boarding and day school for pupils from the ages of 4 to 19. It aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life.

Primary objectives

The primary objectives of Denstone College to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgment and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Denstone College education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately, and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

- to resource the College to provide a broad and relevant curriculum that leads to successful participation and academic outcomes;
- to grow boarding for our younger pupils, from Y3, delivering a wider experience for all of our boarders, with older pupils as role models;
- 10-12% of fee income is allocated to assist in enabling talented children to attend the school;
- Governors are responsible for the overall management and control of the school. They meet at least three times a year and also hold sub-Committee meetings for decisions to recommend to the Full Board of Governors. The day-to-day management is delegated to the Head and Bursar/CFO, supported by senior management, covering a variety of operational and compliance aspects. Additionally, Housemasters and Housemistresses are heavily involved in pastoral support. Our tutor system links most academic staff to one of eight Houses, bringing a strong cohesion to our community;
- a forum is held half-termly to ensure colleagues have a valued voice in the school. Representatives from all areas of school attend and provide feedback.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

Principal Activities of the Year

The principal activity of the school is the delivery of education to pupils ranging from 4 to 19 years of age. We also let the school to sporting and other groups during holidays and the school is open at other times for use by the local community. Pupil numbers at the school during the year were as follows:

	2024/2025		2023/2024	
Senior School	652	(180 boarders)	674	(182 boarders)
Preparatory School	79	(3 boarders)	82	(1 boarder)
Pre-Preparatory School	21		23	
Total	<u>752</u>		<u>779</u>	

	2024/2025		2023/2024	
	Boys	Girls	Boys	Girls
Senior School	380	272	389	285
Preparatory School	50	29	57	25
Pre-Preparatory School	17	4	15	8
Total	<u>447</u>	<u>305</u>	<u>461</u>	<u>318</u>

Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first-class independent education and a wide range of sporting and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community. Denstone College fully understands the truly privileged position it holds as an independent school in the current climate. To that end, the College seeks to allow every member of our community to understand this privilege and to ensure a sense of giving back is at the heart of our mission. As a Woodard school guided by Christian values, the sense of putting others before selves is critical.

In the furtherance of these aims the Denstone College Governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our school will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes. Our assessment seeks to find children who would thrive in this environment, and protected characteristics are indeed protected. Denstone College continues to support a number of families through financial bursaries up to 110%. We work closely with the Local Authority and the Royal National Springboard Foundation to educate some of the most vulnerable children.

Our school is a part of a wider community, and we are keen that our staff and pupils participate. Our school also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our Governors are committed to developing our programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of our programme are explained in the 'review of achievements and performance for the year' section of this report and are well documented on our 'Schools Together' page.

Denstone College proudly educates its young people in the need to give back and in doing so, weekly charitable assemblies showcasing many fundraising and charitable efforts are a highlight in the school week. Children are encouraged to give freely of time, resource and care; statistics for volunteering hours earned through the Duke of Edinburgh Award Scheme only skim the surface of what our pupils achieve – often without realising their generosity.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

Concessions Including Bursaries & Scholarships

Our school does not have an endowment and in funding our concessions we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. Further details of our concessions policies and how to apply are available on our website at <https://www.denstonecollege.org>

All criteria and policies relating to concessions are kept under review and are updated when necessary.

Bursaries

Bursary awards are important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In most cases the budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school.

This year the value of means tested bursaries totalled £709k (2024 £622k) and represented 4.2% of our gross fees. They provided assistance to 83 of our pupils of which 4 pupils benefited from a full remission of fees.

Scholarships

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

The school awarded (financial) scholarships to 69 pupils (2024 99 pupils), based on their educational merit and potential, totalling £206k (2024 £267k) and representing 1.2% of our gross fees. Of this number, 10 also qualified for means-tested bursary support and are included in the figures relating to bursary awards. Scholarships awarded after September 2021 no longer carry a financial award, with those awarded previously continuing.

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

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Engagement with Suppliers, Customers and Others in a Business Relationship with Denstone College

Denstone College seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the school's operations.

During the year the school has further promoted this engagement through specific initiatives including:

- Regular communication and engagement with parents and prospective parents of pupils attending Denstone College to enhance the understanding of the provision to each pupil and to fully coordinate support to pupils from parents and schools.
- Engagement with other educational organisations and partners at local and national levels to share best practice and to provide peer support.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

- Active dialogues with local councils on matters which impact children and families in the community as well as relate to operation of each school.
- Engaging with local businesses to promote career and educational opportunities for pupils for their mutual benefit.
- Seeking all possible opportunities to engage with local and national suppliers in the area.
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to Denstone College.
- Promoting and encouraging pupil and staff opportunities to engage in local voluntary and other projects to support the community.
- Providing community access to Denstone College and, in many cases, adopting a role that puts the school or academy at the heart of a community.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Responding to External Pressures

During the year there were a number of significant changes implemented by the new Labour Government. 1st January 2025 saw the introduction of 20% VAT on school fees, creating a higher fee and making the education experience we offer more expensive and therefore less accessible. The increase in Employers' National Insurance contributions and the lowering of the threshold also impacted the school significantly financially. The removal of 80% Business Rates Relief from April 2025 caused another sizeable financial adjustment impacting the school. This academic year saw these three items start to take shape, and next academic year, 2025-26, will see the full annual cost impact. The Head and Bursar/CFO, alongside Governors, took swift action to manage the changes announced.

School Performance and Achievements

During the year we educated 752 children between the ages of 4 and 18. The school offers a broad curriculum and educates children with a wide range of ability. The educational performance of the school was pleasing, as demonstrated by some excellent public examination results. Candidates at the school achieved a 95% pass rate (grades 4 or above) at GCSE, of which 45% were graded 7 or above. In A Level and equivalent qualifications, 65% of grades were B or above, including 12% gaining the highest grade of an A* or equivalent. With an average score of 228 UCAS points per candidate – equivalent to ABB grades at A level – this year's cohort secured an impressive array of post sixth form destinations, with the vast majority moving on to higher education at their first choice destination. These results are well above the national average for all schools with positive average value added residuals also achieved at both GCSE and A level.

We continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. Denstone College continued with its refurbishment programme and during 2024-25 undertook refurbishments including transformation of a number of boarding rooms in North House, replacement of some aged water infrastructure, restoration of the Chapel roof towers and upgrade of elements of light and sound in the theatre.

Arts, Music and Drama

One of the important elements of any Woodard school is the concentration on arts, music and drama. Denstone College makes excellent provision in all different aspects of these activities. The inter-house 'Cultural Cup' continues to flourish, with activities from art competitions, mythology research projects, science speed presenting, declamations, model castle building, and many others.

The 2024-2025 academic year continued to see exciting musical opportunities for the pupils. The concert programme kicked off with the Scholars and Advanced Musicians' Concert which set the bar extremely high for the rest of the year to come. We then had a fantastic House Music event. Each house really upped their game and was a great example of pupil-led ensembles and what they can achieve when they work as a team. The concert programme in the Michaelmas Term also contained a Pianists' Concert, The Michaelmas Ensembles Concert and Carols by Candlelight featuring, for the first time, the College Orchestra accompanying the carols. The Lent Term saw a return of the Music Theatre, LAMDA and now also Dance showcase with pupils from 1st to U6th Form performing a range of numbers from

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

ballet to ballads. There was also a Soloists' concert, a combined Prep and College Musicians Concert, a Denstone Village Hall Big Band evening and a Spring Serenade Concert, as well as 2 music trips, a vocal workshop at Shrewsbury School and a 6th Form Musicians Dinner. The start of the Summer Term saw the return of the Choral Concert. The Chapel Choir has continued to push itself with diverse and interesting repertoire and this year tackled Cherubini's Requiem Mass in C minor, a work not that well known but loved by Beethoven. As always, a selection of U6th pupils performed solos with the orchestra, fantastic experience for those musicians, something that you would rarely get the opportunity to do in a school setting. The parent choir aspect of this event continues to be popular and well attended. The Summer Term also saw a Rock and Pop concert with over 30 musicians taking to the stage, a first time-ever pupil-only pit band for the Junior Musical 'Annie', another Soloists' Concert and the Concert in the Quad. We also had a Chapel Choir social and a music tour to Wales where our pupils performed in The National Botanical Gardens of Wales, Tenby's St Mary's Church and Pembrey Country Park.

At the Prep, music continued developing at a pace. Teatime Concerts were a regular occurrence with pupils from the age of 5 years upwards performing and developing confidence when performing in front of others. The Prep House Music Competition was hard fought and all pupils in The Prep were fully involved, developing performance experience and enjoying singing. Regular music clubs take place throughout the week e. g. chapel choir, show choir, string group, recorder group. The Prep production was of a larger scale this year with all pupils from Prep 3 to Prep 6 (approx. 80 pupils) performing The Wizard Of Oz to a packed house. We also had a Prep and Primary school Music Day where pupils from 3 different local primary / prep schools joined forces to partake in workshops with our VMT teachers and then perform a vocal and instrumental number as a massed item.

In December 2024, over 60 of our talented Middle and Senior School worked to produce an outstanding production of 'Fame'. All of the pupils collaborated tirelessly to ensure that the show was a success: the performance of its leads, the energy of the ensemble, the enthusiasm of the singing, the accomplished 12-piece band, the challenging and captivating choreography, the ambitious stage design, and the fun mood generated by the tech team all ensured that the show was full of energy and fun. The Lower School performance of 'Annie Junior' produced by the First, Second and Third Formers in May 2025, revealed equal dramatic ability and professionalism in our Lower School. This was a beautiful show, featuring 60 student actors, several student assistant directors, twenty plus student designers and a student tech team. The audience were treated to four performances, all of which were received with delight. February 2025 saw again the House Drama Festival, an event involving all of our Second Form students and creative representatives from the Lower Sixth. All of the students worked together in houses to create original and entertaining pieces of theatre; all of which were well-received by their two audiences. Those taking GCSE and A Level performed in 4 different evening showcases as a part of their curriculum assessments. Denstone's audiences were treated to a variety of different styles: Greek, Shakespeare, Political and Comedy, and others, all to a very high standard. Alongside the extra-curricular performances, these were again supported by the pupil tech team members who continue to impress with their practices in lighting and sound. LAMDA has gone from strength to strength, and this has continued to be a success. We have continued to host evening screenings of a range of theatrical productions, and we were fortunate to take our students to visit Stoke Regent Theatre to watch a production of the thrilling War Horse. At the Prep, all pupils from Prep 3 to Prep 6 have weekly drama lessons and LAMDA again proved popular with many children attending regular lessons and successfully achieving in exams.

Sport

Sport at Denstone continues to stand out as an integral and impressive part of our co-curricular offering, highly valued by both pupils and their parents. It not only enhances school life but also plays a key role in shaping the culture of our community. Our programme retains a firm commitment to the traditional sports that define our identity, while also embracing a broader recreational pathway, one guided by the enthusiasm, expertise, and passions of our staff. This dual approach ensures that every pupil can find opportunities to enjoy sport, whether at a competitive or recreational level.

At the heart of our games programme lies a clear and unwavering focus on the development of the individual. We take pride in this bold stance, recognising that sport is not simply about performance, but about personal growth. Through participation, pupils develop essential life skills such as resilience, communication, humility, patience, and decision-making. These qualities sit alongside the refinement of their practical sporting skills, ensuring that the benefits of sport extend well beyond the pitch or court and into all aspects of their education and future lives.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

In rugby, this culture of participation and personal development is firmly established. It has been particularly encouraging to see the senior boys embrace this ethos so strongly, taking ownership of their improvement and demonstrating real commitment both in training and in competition. Netball continues to progress with clear long-term goals and ambition. The programme has expanded to include additional training opportunities during the school day and before lessons, ensuring greater access for all players. Alongside this, we have introduced more competitive opportunities for younger year groups, striking the right balance between challenge, motivation, and enjoyment.

Cricket has seen significant recruitment this year, giving the programme exciting depth and potential for the future. Building on the achievements of our U17 team last summer, we are working hard to develop our younger players, instilling good habits early so that they can thrive in the years ahead. Hockey also continues to be an area of real strength, with the school competing at Tier 1 level. The Director of Hockey has worked tirelessly to establish a programme that reflects both our ambition and our resources, creating an environment where pupils can challenge themselves and excel. Football remains a consistently popular option, drawing strong participation across year groups and providing an enjoyable outlet for many pupils.

It's been a fantastic year of sport at The Prep, with pupils from our U8 to U11 teams proudly representing the school across a wide range of fixtures, including netball, rugby, and hockey. Their commitment and team spirit have been a joy to witness. We continued to build on our sporting traditions with the return of our highly successful cricket tournament, where sixteen teams competed in an exciting all-day event. Our second netball festival was another highlight, welcoming eight schools and showcasing some brilliant play and sportsmanship. Looking ahead, we're thrilled to be hosting our very first U11 hockey tournament—an exciting new addition to our sporting calendar that promises to be a memorable occasion for all involved.

Sport at Denstone continues to thrive because it remains rooted in values that matter: participation, ambition, and the development of the individual. From our youngest Prep pupils to our senior competitors, every pupil is given the chance to benefit from a sporting education that is both broad and purposeful. Looking ahead, we remain ambitious in our aims and confident in our belief that sport will continue to be one of the defining strengths of life at Denstone.

Community

Through development of, and provision of access to, our facilities, Denstone College remains at the heart of the community. Facilities, which are offered at times free of charge or at rates below commercial levels, that are made open to the public include:

- Our all-weather cricket nets and sports hall that are made available to both local senior and junior clubs, often along with coaching to participants.
- Our swimming pool, which is made available to local swimming clubs and for use by local primary and middle schools. In addition to swimming lessons for our secondary age pupils, we provide 'Learn to Swim' teaching lessons for local children aged between 2.5 and 12 years.
- The Sports Hall is made available for local groups across various sports and leisure activities.
- Our sports pitches are used in regular fixtures against local schools in a variety of sports, with the outside community also able to use these facilities. Various youth groups and child sports clubs enjoy evening sessions, particularly on our floodlit all-weather pitch.
- We have historically hosted county, and indeed regional, hockey, rugby and cricket matches and trials, including some national cricket trials at various age levels.
- The local community are welcome to attend our Carols by Candlelight and other Chapel services and our drama and musical performances, either in the theatre or Chapel, are open to members of the village community, upon request, including visiting professional concerts.
- The College allows some 80 associate members from the local community to enjoy our golf course facilities.
- Subject to the necessary permissions, we can host wedding ceremonies and receptions.
- Through our Enterprise Company, we provide our facilities to children and adults in various sport and general activity groups during the school holidays.
- We continue to work with the Parish Council and ensure we work collaboratively within the village.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

- Our Prep Eco-Committee continues to work with the school community, developing links with the College. Activities included continuing to tend the College Wellbeing Garden where they have their own planting bed, working to reducing waste, litter picking, electricity conservation activities and introducing paper recycling throughout the school. The local community was invited to The Prep's first ever Horticultural Show in the Summer Term, with judges coming from Denstone Horticultural group. The Prep recently won the Talk Education Award for Environmental Achievement, with transforming the outside space and community links being highlighted in the judges' comments.

Other Activities undertaken in the Community

These include the many that benefit from the fundraising efforts of our pupils and staff, and from volunteer work locally and further afield. Members of the College CCF contingent meet with local Army, Air Training and Sea Cadets in competition, and our CCF contingent also includes pupils and staff from a nearby state school. Local cadet forces and Uttoxeter Rifle Club use the outdoor range. Pupils embarking on their Duke of Edinburgh Awards tend to undertake activities such as visiting the elderly and help with local projects, volunteering with young pupils and assisting as junior coaches in local sports clubs. Our Directors of Rugby, Hockey and Netball are in regular contact with local clubs. We continue to value our links with the local community and make facilities available to them. We continue to support our local branch of the Royal British Legion; this year a student attended the village Remembrance Service and laid a wreath on behalf of the college and members of the local community returned later in the week to attend our service in college.

Outreach

Our outreach programme continues to grow, offering meaningful opportunities for local pupils and schools to benefit from the College's expertise and facilities. We provide classroom teaching support for Sixth Form pupils from local state schools and several of our staff serve on governing bodies in the region.

- Swimming – local primary schools continue to use our facilities to support their teaching of swimming.
- U10 Cricket Festival – In July 2025, we welcomed approximately 100 children for a day of fixtures, supported by our Director of Cricket and Cricket Coach, who also visited schools to deliver coaching sessions.
- Hockey Festival – In October 2024, we hosted 150 children from five primary schools for a full day of hockey, led by our Director of Hockey.
- Art Exhibition – Local pupils showcased their work in a dedicated exhibition at the College.
- Staffordshire Sports Partnership – Throughout the academic year, we have welcomed numerous local primary schools for sports events, with approximately 300 children involved in at least one event.

We also maintain strong partnerships with organisations such as OSSMA in Stoke, Derby County, and the Staffordshire Sports Partnership, which has recently used our facilities to host sports events with local schools.

Through these initiatives, Denstone College continues to build valuable community links and widen educational access. Many of these opportunities are provided free of charge or at significantly reduced rates, reinforcing our commitment to service, inclusion, and partnership.

Wider Experiences

The College offered many trips to its pupils this year, including important fieldwork trips (such as the Geography trip to Cornwall, and trips to academic conferences and workshops and the 3rd Form History trip to the trenches), a range of stimulating sports trips, tournaments and tours (including rugby trips to the St Joseph's and Rosslyn Park festivals and the Global Schools Ruby Competition in South Africa, where teams performed very strongly, and the annual ski trip), boarders' trips to a range of entertainments, including seeing Jack and the Beanstalk at the Buxton Opera House, and a wide range of other edifying opportunities, in addition to the numerous trips associated with outdoor pursuits. In the Prep, children have benefitted from a number of off-site activities and trips including our annual trip to the pantomime in Buxton, Alton Castle, Tittesworth Reservoir, Blists Hill, The National Justice Museum and The Black Country Museum. All pupils from Prep 3 to Prep 6 also attended residentials during the Summer Term, where they experienced outdoor activities to develop teamwork, social skills and independence. All Prep pupils also regularly attend sports fixtures off site. Pupils in Prep 4 took part in a JCB workshop day where they worked in teams to solve STEM based problems. This year also saw the start of our Curious Careers Talks, with visiting speakers coming to speak to Prep 3 to Prep 6

DENSTONE COLLEGE LIMITED

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children about their careers, to widen children's awareness of opportunities available. Talks covered a wide variety of careers e.g. pilot, dentist, milliner, police dog handler.

Combined Cadet Force (CCF) and Duke of Edinburgh (DofE) Awards

From 4th Form upwards, all pupils have the opportunity to join the CCF, which has an Army and RAF section within the contingent. Currently over 100 students take part in the CCF. The CCF run Field Day exercises at Swynnerton and Leek military training areas and some pupils take part in an annual camp during the summer holidays at Warcop near Penrith. DofE remains a big part of the Activities programme. Completion rates are strong, especially at Bronze and Silver, and pupils find a lot of fulfilment in the programme.

Charitable Activities

The year once again began with the Prep Macmillan Coffee Morning & Cake Sale, which was a delightful success, bringing together students, staff, and parents for a good cause, and raising over £250. We continued a working relationship with the YMCA in Derby where pupils ran a cake sale to raise money for stress bags – these are bags containing supplies to be given out by their psychotherapist to assist young people suffering mental health issues. Additionally, we supported both the YMCA and our local foodbank at harvest. Services were held in both the Prep School and College. Over 2000 items of food and toiletries were donated to YMCA Derby and Renew Church Foodbank in Uttoxeter, showcasing our community's generosity. The chapel was filled for the Remembrance Service, where we welcomed the members of the local RBL. Michaelmas Term was a busy time too for our Upper Sixth: 10 of them ran in a local half marathon raising money for Young Lives Vs Cancer. This was particularly poignant following the untimely passing of one of our Lower School Pupils. Upper Sixth were also prominent in organising our first Santa Fun Run and Christmas Fare raising over £1300 for The Children's Society. In January, the Chaplain also spoke at our local Rotary Club and we welcomed their Chairman into school to talk about their Charity of the year: Cardiac Risk in the Young. As a result, total donations to support their work amounted to £2000. Our efforts continued throughout the year and by July over £10000 had been donated to other charities such as: Goodhub Ashbourne, MND, Girl-Guides, Alzheimer's Assoc & Douglas Macmillan to name but a few.

In the Prep, each house chose their own charity to support: Cedars supported Dougie Mac Hospice and raised £198, Oaks supported the YESS (Your Emotional Support Service) and raised £238 and Beeches supported Ashbourne Ark Animal Rescue and raised £274. Prep children also raised £185 for Children In Need through a non-uniform day. For the first time this year, Prep Houses set up and ran their own stalls at the Horticultural Show raising money for their House charities.

In terms of our religious charitable function, we believe that Nathaniel Woodard would be pleased to see so many engaging with what the chapel offers: a foundation of faith for life, a moral compass for their choices, and a place they can call home.

Investment Policy and Objectives

The company's memorandum and articles of association permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. For the Advanced Fees Scheme, the aim is to match the return on investments with the maturation profile of the related liability to provide schooling in future years.

Investment activities are managed in line with the requirements of the Trustee Act 2000.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

Key Performance Indicators

The Key Performance Indicators (KPIs) used by the school are:

KPI	Target	Actual
Surplus	£0.5m (£1.0m <u>before</u> depreciation)	£1,203k operating surplus + £23k investment gains = £1,222k surplus after depreciation
Pupil Numbers	770	752
Total salaries to net fees	68% of net fees	67% of net fees

Funds held as custodian trustee on behalf of others

Denstone College does not hold funds or act as custodian trustee on behalf of others.

FINANCIAL REVIEW

Results for the Year

The net incoming resources for the year amounted to £16,333k of which the operating surplus on school activities was £1,222k. This was above our target. This surplus has been achieved against a background of strongly rising operating costs, so in the circumstances we consider it a highly satisfactory achievement. Gross income for the year was up by some 6.8% on last year, reflecting the fee increase and boarding/day mix changes.

Our trading company continues to hire out Denstone College facilities during vacations and school hours, as well as undertaking commercial activity on behalf of the school and externally. The company contributed £137k to the school's operating surplus.

The parents of our pupils often make significant sacrifices to pay the fees. In doing so they help to relieve the state of the financial burden of educating 730 UK based children. The saving is estimated to have a value in the last year of £5,993k.

Denstone College provides a pension to some staff under the terms of the Pensions Trust Growth Plan. As a result of this pension scheme being under funded, Denstone College is committed to contributing to a recovery plan. During the course of the year Denstone College made contributions to the recovery plan of £14k and the recognised liability under the plan reduced by £8k, with this value being recognised in the Statement of Financial Activities. Further details can be found in note 25.

Reserves Level and Policy, and Financial Viability

Denstone College's policy is to retain sufficient unrestricted income reserves to enable the company to continue to meet its short-term financial obligations in the event of an unexpected revenue shortfall.

The balance sheet contains a number of non-cash and longer-term liabilities, including those related to pensions. These items are excluded from consideration of the available reserves. Unrestricted funds increased by £1,161,220 to total £9,230,022, as shown in note 24. Denstone College plans to fund longer term capital expenditure and meet long term liabilities through careful management of resources and investments and through building reserves through operations and trading. The company's unrestricted reserves are primarily invested in tangible fixed assets which are all used for its direct charitable activities when the cash position permits.

In common with most independent schools, and due to the having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total reserves of £9.9m at the year-end included £0.3m of endowed funds, £0.3m of restricted funds and £9.2m unrestricted designated funds. Denstone College also reserves for £16k of pension-funding deficit. Fixed assets held for charity use totalled £11.9m, leaving free reserves of -

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

£2.7m (2024: -£3.5m) at the year-end. The school's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The school does not have, and cannot rely on, permanent endowments. There was a closing cash balance of £4.4m. The school does operate a Fees In Advance scheme and held £1.9m of funds at year-end. Creditors due within one year at year-end totalled £5.3m, with the largest elements, £2.2m representing fees received in advance of Michaelmas 2025 Term and Fees In Advance scheme £1.1m.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. The school continues with a healthy pupil roll, but there is no room for complacency. The governing body decided last year to increase the fees for September 2024 by 12%. For September 2025 the governing body has limited fee changes and held them at 2024/25 levels to assist families in the transition to VAT being applied to fees from January 2025.

The independent sector as a whole is currently subject to increased political risk following the introduction of 20% VAT on school fees, and the removal of business rates relief. The introduction of VAT creates a level of uncertainty in business planning for all independent schools. Planning future income based on pupil numbers has become more difficult due to an increased level of uncertainty in demand. The full effect will not be known until levels of demand settle down, schools adapt, and parents become more secure in their finances. This is unlikely to happen for a number of pupil recruitment cycles.

Health and Safety is always a significant area for risk management. The risks range from fire and damage to infrastructure, to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The governing body is responsible for the identification and management of risks. The major risks to which the charity is exposed, as identified by the Governors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the Executive Officers and the process is overseen by the Compliance Committee. A formal review of the risk management processes is undertaken annually.

The principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the Governors consider possible catastrophic events and ensure that the school has a plan in place to allow education to continue in a range of different scenarios
- the market in which the School operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our school
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the school meets expectations
- the school operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools Council also ensure that we have access to up-to-date information and support
- the school operates in an increasingly litigious environment, and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic conditions, particularly in relation to the impact of inflation, and Directors and senior managers in the school keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

The key controls used by the School include:

- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

Financial risk management objectives and policies

The school uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the school's operations.

The main issues arising from the group's financial instruments are liquidity risk and interest rate risk. The school's Directors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and by negotiating adequate facilities with our banks.
- Interest rate risk – the school finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities and the exposure is rated low.

GOING CONCERN

It has been a turbulent few years for independent schools and businesses in general, following the COVID-19 pandemic, ongoing wars in a number of regions and associated high inflationary cost pressures on purchased goods and services and utilities. Elections resulting in changes in world leaders have also contributed to the unsettled state of the world economy. In terms of current issues, the Government budget announcements on October 30th, 2024 (namely loss of Charitable Business Rates Relief of 80% and increase in Employers' National Insurance Contributions), have now been fully applied and budgets have been set taking them into account.

Having considered all factors and after reviewing the available evidence, the directors have a reasonable expectation that the school will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 26.

FUTURE PLANS

The key objectives of the current plan are:

- To maintain steady growth of pupil numbers for consistent increases within our determined capacity.
- To focus efforts on non-fee-based revenue through private lettings (managed by Denstone College Enterprises Ltd) and through fundraising efforts of Denstone Foundation.
- To continue our partnership work with local organisations – particularly educational links.
- To continue to grow the strength and size of The Prep at Denstone College (aged 4-11).
- To widen access to the school still further through the provision of means-tested bursaries.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

DIRECTORS

The Directors who served during the year, and the committees of which they are members, are:

Prof N T Ratcliffe (Chair)	Education, Finance & General Purpose, Remuneration. Also invited to attend other committees in capacity as Chair.
Mr A D Coley (Deputy Chair)	Development, Finance & General Purpose, Remuneration
Mr D T Brown	Development, Finance & General Purpose
Mr M F Coffin	Development, Finance & General Purpose
Mr D A Cooper	Compliance, Education, Finance & General Purpose, IT
Capt. M Huddy	Compliance, Education, Finance & General Purpose, IT
Mr H R Jones	Education, Safeguarding/Wellbeing
Mr C J Lewis	Development, Finance & General Purpose
Mrs J J Marshall (resigned 26 June 2025)	Education
Mr G T McAloon	Compliance, Development, Education, People
Mrs B A McNally-Young	IT, People, Remuneration
Mr J C Sampson	Development
Mr Q Siddiqi	Compliance, Safeguarding/Wellbeing

None of the Directors has any beneficial interest in the company. Denstone College buys trustees and officers' insurance on behalf of the directors.

Exemptions from disclosure

Denstone College has not taken advantage of any exemption from disclosure in relation to trustee details.

AUDITORS

Moore Kingston Smith LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2025

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report, the Strategic Report included within the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period.

In preparing each of the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting 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 group and the company will continue in business.

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

- The directors confirm that:
- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Approved by the Board of Directors of Denstone College on 13/01/26, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:


Malcolm Coffin (Jan 13, 2026 10:09:49 GMT)

Mr M F Coffin
Chair of Finance & General Purpose Committee

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2025

Opinion

We have audited the financial statements of Denstone College Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2025 which comprise the Consolidated Statements of Financial Activities (including an Income and Expenditure Account), Company Statements of Financial Activities (including an Income and Expenditure Account), the Consolidated and Company 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the groups and the parent 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 have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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 Directors' 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 groups or the parent 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2025

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' 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 Directors' Report and the Strategic Report, included within the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, or the Strategic Report included within the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

- As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2025

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2025

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

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.

Moore Kingston Smith LLP

Robert Kersse (Senior Statutory Auditor)
For and on behalf of Moore Kingston Smith LLP, Statutory Auditor
Chartered Accountants
9 Appold Street
London
EC2A 2AP
13/01/26

DENSTONE COLLEGE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2025

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2025 £	Total 2024 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	14,251,036	-	-	14,251,036	13,420,060
Ancillary trading income	3	1,170,527	-	-	1,170,527	1,052,123
Other trading activities						
Non-ancillary trading income	4	609,337	-	-	609,337	486,828
Investments						
Investment income	5	-	4,258	9,648	13,906	14,724
Bank and other interest	6	95,040	-	-	95,040	26,378
Other – Grants and donations						
Grants and donations	7	132,069	37,289	-	169,358	246,150
Other incoming resources		24,000	-	-	24,000	-
TOTAL INCOMING RESOURCES	24	16,282,009	41,547	9,648	16,333,204	15,246,263
Expenditure on:						
Raising funds						
Non-ancillary trading	8	371,744	-	-	371,744	325,768
Other income generating activities		-	-	-	-	-
Financing costs	9	188,193	-	-	188,193	152,563
Investment management		-	7999	2,234	3,033	2,22784
Fundraising and development		6,962	-	-	6,962	24,043
TOTAL DEDUCTIBLE COSTS		566,899	799	2,234	569,932	505,158
Charitable Activities						
Education and grant making	8	14,553,890	-	9,556	14,563,446	14,228,456
TOTAL EXPENDITURE		15,120,789	799	11,790	15,133,378	14,733,614
Net gains/(losses) on investment assets	14,15	-	7,613	14,671	22,284	43,705
Net income/(expenditure)		1,161,220	48,361	12,529	1,222,110	556,354
Transfers between funds	24	-	-	-	-	-
Other recognised gains/(losses)		-	-	-	-	-
Pension scheme actuarial (losses)/gains	25	-	-	-	-	-
Net Movement in funds for the year		1,161,220	48,361	12,529	1,222,110	556,354
Fund balances at 1st September		8,068,802	262,661	317,378	8,648,841	8,092,487
FUND BALANCES AS AT 31ST AUGUST		9,230,022	311,022	329,907	9,870,951	8,648,841

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 26 to 52 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2025

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2025 £	Total 2024 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	14,251,036	-	-	14,251,036	13,420,060
Ancillary trading income	3	1,060,599	-	-	1,060,599	927,755
Other trading activities						
Non-ancillary trading income	4	294,201	-	-	294,201	207,094
Investments						
Investment income	5	-	4,258	9,648	13,906	14,724
Bank and other interest	6	93,789	-	-	93,789	25,457
Other – Grants and donations						
Grants and donations	7	132,069	37,289	-	169,358	246,150
Other incoming resources		24,000	-	-	24,000	-
TOTAL INCOMING RESOURCES		15,855,694	41,547	9,648	15,906,889	14,841,240
Expenditure on:						
Raising funds						
Non-ancillary trading	8	-	-	-	-	-
Other income generating activities		-	-	-	-	-
Financing costs	9	186,379	-	-	186,379	135,771
Investment management		-	799	2,234	3,033	2,784
Fundraising and development		6,962	-	-	6,962	24,043
TOTAL DEDUCTIBLE COSTS		193,341	799	2,234	196,374	162,598
Charitable Activities						
Education and grant making	8	14,501,134	-	9,556	14,510,690	14,165,993
TOTAL EXPENDITURE		14,694,475	799	11,790	14,707,064	14,328,591
Net gains/(losses) on investment assets	14, 15	-	7,613	14,671	22,284	43,705
Net income/(expenditure)		1,161,219	48,361	12,529	1,222,109	556,354
Transfers between funds	24	-	-	-	-	-
Other recognised gains/(losses)		-	-	-	-	-
Pension scheme actuarial (losses)/gains	25	-	-	-	-	-
Net Movement in funds for the year		1,161,219	48,361	12,529	1,222,109	556,354
Fund balances at 1st September		8,067,526	262,661	317,378	8,647,565	8,091,211
FUND BALANCES AS AT 31ST AUGUST		9,228,745	311,022	329,907	9,869,674	8,647,565

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 26 to 52 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2025

	Note	Group 2025 £	2024 £	Charity 2025 £	2024 £
FIXED ASSETS					
Tangible assets	13	11,855,343	12,130,720	11,845,860	12,112,285
Investments	14	528,405	467,134	528,405	467,134
		12,383,748	12,597,854	12,374,265	12,579,419
CURRENT ASSETS					
Stock		6,127	7,465	-	-
Debtors due within one year	15	840,657	421,792	1,141,662	514,238
Current asset investments	16	-	-	-	-
Cash at bank and in hand		4,759,863	4,745,331	4,463,491	4,655,781
		5,606,647	5,174,588	5,605,153	5,170,019
CURRENT LIABILITIES					
Creditors payable within one year	16	(5,434,322)	(5,310,583)	(5,423,346)	(5,288,855)
NET CURRENT ASSETS/(LIABILITIES)		172,325	(135,995)	181,807	(118,836)
TOTAL ASSETS LESS CURRENT LIABILITIES		12,556,073	12,461,859	12,556,072	12,460,583
LONG TERM LIABILITIES					
Creditors payable after one year	17	(2,669,669)	(3,788,653)	(2,669,669)	(3,788,653)
Provisions for liabilities	25	(16,629)	(24,265)	(16,629)	(24,265)
NET ASSETS		9,869,775	8,648,941	9,869,774	8,647,665
REPRESENTED BY:					
CALLED UP SHARE CAPITAL	21	100	100	100	100
ENDOWED FUNDS	24	329,907	317,378	329,907	317,378
RESTRICTED FUNDS	24	311,022	262,661	311,022	262,661
UNRESTRICTED FUNDS					
General reserve	24	9,228,746	8,068,802	9,228,745	8,067,526
Pension reserve	25				
		9,869,775	8,648,941	9,869,774	8,647,665

DENSTONE COLLEGE LIMITED

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2025

The financial statements were approved and authorised for issue by the Board on 13/01/26 and signed on its behalf by:

Malcolm Coffin

Malcolm Coffin (Jan 13, 2026 10:09:49 GMT)

Mr M F Coffin

Chair of Finance & General Purpose Committee
Company registration number 1102588.

The notes on pages 26 to 52 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST AUGUST 2025

	Notes	2025 £'000	2024 £'000
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	26	2,469,983	2,674,323
Cash flows from investing activities:			
Dividends, interest and rents from investments		13,906	14,724
Proceeds from the sale of property, plant and equipment		24,000	-
Purchase of property, plant and equipment		(214,025)	(305,973)
Proceeds from sale of investments		-	-
Purchase of investments		-	-
Purchase of current asset investments		-	-
Net cash provided by/(used in) investing activities		(176,119)	(291,249)
Cash flows from financing activities:			
Repayments of borrowing		(103,059)	(97,437)
Cash inflows from new borrowing		-	-
Financing costs		(188,193)	(152,563)
Fees in advance – new contracts		32,276	1,776,262
Fees in advance – repayment of deposits		(30,595)	-
Fees in advance – payment of fees		(1,989,761)	(199,534)
Receipt of endowment		-	-
Net cash provided by/(used in) financing activities		(2,279,332)	1,326,728
Change in cash and cash equivalents in the year		14,532	3,709,802
Cash and cash equivalents at the beginning of the year		4,745,331	1,035,529
Cash and cash equivalents at the end of the year	27	4,759,863	4,745,331

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) **Basis of Accounting**

The accounts of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

Denstone College meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 35, and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£).

b) **Going Concern**

The accounts have been prepared on a going concern basis. The Denstone College Board reviews the financial information for the company and the group and considers whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts.

Having considered all factors and reviewing the available evidence, the directors have a reasonable expectation that the company and the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis.

It has been a turbulent few years for independent schools, and businesses in general, following the COVID-19 pandemic, the war in Ukraine, associated high inflationary cost pressures on purchased goods and services and utilities. Elections resulting in changes in world leaders have also contributed to the unsettled state of the world economy. Further issues in Gaza and Iran have added to world instability.

In the UK, the change of government to Labour in 2024 brought about a number of significant changes for independent schools. 20% VAT was added to school fees from 1st January 2025, a mid-school-year implementation. Business Rates Relief of 80% was removed in April 2025 and Employers' National Insurance Contributions saw a significant increase, also in April 2025.

The costs of these items are not insignificant, and the directors therefore approved a breakeven budget for 2025-26, giving time for the impact of planned changes to take effect. The directors expect to return to making a modest surplus each year beyond this interim year.

c) **Group Accounts**

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Entities are consolidated where Denstone College exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

d) **School Fees Receivable and Similar Income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

scholarships, bursaries and other grants.

Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer.

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

e) **Ancillary and Non-Ancillary Trading Income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects, for example school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

f) **Voluntary sources, Grants and Donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not.

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 at the value to the school in case of donated services or facilities.

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

The cost of refurbishing and converting existing buildings is written off in the year in which it is incurred except where the useful life has been extended.

h) **Finance and Other Costs**

Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

i) **Pension Costs**

The school company participates in the Teachers' Pensions scheme, which is an unfunded government scheme, which provide benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes. The company also contributes to other defined contribution pension schemes for non-teaching staff.

The company offers membership of the Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth Plan is a multi-employer pension scheme where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result, it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

which is similar to a defined contribution scheme.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in notes 25 and 35.

The school also offers an alternative to the TPS for teaching colleagues. The provision is from Royal London and is a Contract Based Defined Contribution scheme. This type of scheme involves the build-up of funds/contributions that may be used to provide a combination of cash and income on retirement. Royal London is a mutual insurer which means that it is owned by its policyholders, not shareholders.

j) **Tangible Fixed Assets and Depreciation**

In accordance with Section 35.10 (d) of FRS102, Denstone College has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Where tangible fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Freehold Buildings:	- Variable according to the building and written off over the expected useful life (see paragraph below)
Freehold improvements	- Over the useful economic life of the improvement
Leasehold land and buildings	- Over the shorter of the economic life of the asset or the life of the lease
Leasehold enhancements	- Over the shorter of the economic life of the asset or the life of the lease
Fixtures, fittings and equipment	- 25% on cost
Computer equipment	- 25% on cost
Motor vehicles	- 25% on cost

Freehold land is not depreciated.

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The company undertakes an annual review of all buildings assessing their useful economic life. In some cases, the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. Where the calculated depreciation charge is a material figure, it is charged in these financial statements but, where the carrying value is not more than the estimated recoverable amount and the depreciation on the building is not material to these financial statements, it has been assessed, but not charged on the basis that it is not material. The directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

Improvements', its useful life is estimated and it is depreciated over that useful life.

No depreciation is provided for in respect of investment properties in accordance with Section 16 of FRS102. Such properties are held for their investment potential and not for consumption within the business. Investment properties are stated at their fair value at the balance sheet date.

Denstone College exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

k) **Financial Instruments**

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

l) **Investments and Fees in Advance Investments**

Investments and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Realised and unrealised investment gains and losses are recognised as 'net gains/(losses) on investment assets' in the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

m) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

n) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

o) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis, and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet date.

p) **Fund Accounts**

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity. Endowment funds are further sub-divided into permanent and expendable, where required by the terms of the trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

q) **Taxation**

Denstone College is a registered charity and as such are exempt from income tax and

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

Total Incoming Resources exclude VAT on taxable outputs and Total Expenditure excludes recoverable VAT. Irrecoverable VAT is included as a cost, where applicable.

The school has a subsidiary company that is subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The tax charged to the profit and loss account is based on the subsidiary company's profit for the year and takes into account tax arising because of timing differences between the treatment of certain items for tax and accounting purposes.

The subsidiary company distributes the majority of its profits to Denstone College under Gift Aid and tax liabilities are kept to a minimum.

r) **Cash**

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

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2025 £	2024 £
The school fees income comprises		
Gross fees	16,681,147	15,612,815
Less: Total scholarships, bursaries, etc	(2,430,111)	(2,192,755)
Add back: Scholarships, Grants etc paid for by Restricted Funds	-	-
	14,251,036	13,420,060

Scholarships, bursaries and other awards were paid to 313 pupils (2024:309 pupils). Within this, means-tested bursaries totalling £709,192 were paid to 83 pupils (2024: £622,235 to 99 pupils)

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2025 £	2024 £
Extras	574,998	422,017
Entrance fees and registration fees	18,950	19,700
Pupil transport	432,492	480,957
Sundry other income	144,087	129,449
	1,170,527	1,052,123

4. OTHER TRADING ACTIVITIES

	2025 £	2024 £
Non-ancillary trading income		
Denstone College Enterprise company trading turnover	449,328	302,187
Rents receivable	1,919	507
Interest receivable – pupil bills	6,785	5,768
Other non-ancillary trading income	151,305	178,366
	609,337	486,828

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

5. INVESTMENTS - INVESTMENT INCOME

	Unrestricted	Restricted	Endowed	Total 2025	Total 2024
	£	£	£	£	£
Investment income					
Equities	-	2,045	5,008	7,053	8,201
Fixed interest	-	1,664	2,475	4,139	4,175
Other	-	549	2,165	2,714	2,348
	-	4,258	9,648	13,906	14,724
Rents receivable	1,919	-	-	1,919	507
	1,919	4,258	9,648	15,825	15,231

6. INVESTMENTS - BANK AND OTHER INTEREST RECEIVABLE

	Unrestricted	Restricted	Endowed	Total 2025	Total 2024
	£	£	£	£	£
Bank interest	95,040	-	-	95,040	26,378
Other interest	-	-	-	-	-
	95,040	-	-	95,040	26,378

7. OTHER - GRANTS AND DONATIONS

	Unrestricted	Restricted	Endowed	Total 2025	Total 2024
	£	£	£	£	£
Grants to Denstone College from:					
Old Denstonians	-	9,974	-	9,974	-
JCB	100,000	-	-	100,000	200,000
Giving Day appeal	15,275	-	-	15,275	-
Chapel Organ appeal	-	4,060	-	4,060	8,850
Imagine Tomorrow campaign	15,000	-	-	15,000	15,000
Others	1,794	23,255	-	25,049	22,300
	132,069	37,289	-	169,358	246,150

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

8. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Support costs £	Depreciatio n (Note 13) £	Total 2025 £	Total 2024 £
Costs of raising funds					
Non ancillary trading	90,170	272,623	8,951	371,744	325,768
Other income generating activities	-	-	-	-	-
Financing cost (note 9)	-	188,193	-	188,193	152,563
Investment management	-	3,033	-	3,033	2,784
Fundraising and development	-	6,962	-	6,962	24,043
Total cost of generating funds	90,170	470,811	8,951	569,932	505,158
Charitable expenditure					
Teaching	6,777,560	946,053	7,813	7,731,426	7,664,471
Welfare	815,626	518,009	-	1,333,635	1,315,055
Premises	1,053,471	1,630,850	472,638	3,156,959	2,995,618
School administration	1,258,717	1,071,020	-	2,329,737	2,239,185
Donations	-	-	-	-	-
Grants awards and prizes (note 8b)	-	8,604	-	8,604	11,074
Governance	-	3,085	-	3,085	3,053
Education and grant making	9,905,374	4,177,621	480,451	14,563,446	14,228,456
Total Expenditure	9,995,544	4,648,432	489,402	15,133,378	14,733,614

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

8. ANALYSIS OF EXPENDITURE (Continued)

b) Grants, awards and prizes

Denstone College makes awards to individual families to support schooling.

	2025 £	2024 £
From Endowed Funds:		
Other grants and awards	8,604	11,074
From Restricted Funds:		
Other grants and awards	-	-
Prizes and leaving awards	-	-
From Unrestricted Funds:		
Other grants and awards	-	-
Prizes and leaving awards	-	-
	8,604	11,074

c) Total resources expended include:

Denstone College reimburses Governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. Three Governors were reimbursed during the year (2024: one).

	2025 £	2024 £
Remuneration paid to auditor for audit services	31,451	22,920
Additional remuneration paid to auditor for prior year	-	14,400
Remuneration paid to auditor for non-audit services	-	-
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	489,402	473,619
- held under finance leases and hire purchase contracts	-	-
(Profit)/loss on disposal of fixed assets	(24,000)	-
Operating lease rentals:		
- land and buildings	-	-
- other assets	-	-
Reimbursement of personal expenses to Governors	1,025	304

9. FINANCING COSTS

	2025 £	2024 £
Bank interest payable	78,158	85,940
Other interest payable	-	-
Fees In Advance debt financing costs	19,289	2,017
Lease finance costs	-	-
Pension Scheme financing cost	1,809	1,662
Bank charges	17,770	15,575
Other finance costs	-	-
Provision for bad and doubtful debts	71,167	47,369
	188,193	152,563

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

10. STAFF COSTS

	2025 £	2024 £
The aggregate payroll costs for the year were:		
Wages and salaries	8,063,065	7,848,749
Social security costs	860,349	800,112
Other pension costs	1,064,358	1,050,334
Private medical insurance	7,772	5,174
	9,995,544	9,704,369

Included in staff costs are redundancy or termination payments totalling £56k (2024: £30k). The amount outstanding at the year-end was £0 (2024: £0).

None of the Governors received remuneration or other benefits from Denstone College or from any connected body.

The Head and Bursar/CFO are classed by the school as being the Key Management Personnel.

	2025 £	2024 £
Aggregate employee benefits of key management personnel	254,107	246,689

The number of higher paid employees whose annual emoluments were £60,000 or more was:

	2025 No	2024 No
£60,001 - £70,000	11	11
£70,001 - £80,000	6	4
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

10. STAFF COSTS (Continued)

The average number of employees during the year calculated on a head count basis, was 252
(2024: 254)

	2025 No	2024 No
Teaching	108	105
Welfare	34	32
Premises	37	39
Support	66	71
Other activities	7	7
	252	254

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £0 were awarded to children of directors attending the school (2024: £0).

During the year, 3 (2024 : 1) directors received reimbursement of travel and training expenses totalling £1,025 (2024: £304).

12. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

13. TANGIBLE ASSETS									
Group and company		Freehold Land & Buildings £	Freehold Improvements £	Leasehold Land & Buildings £	Under Construction £	Fixtures, Fittings & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost									
At 1 st September 2024		13,720,764	-	-	-	2,023,979	704,222	82,713	16,531,678
Additions		-	26,706	-	-	187,319	-	-	214,025
Disposals		-	-	-	-	(23,251)	-	(12,000)	(35,251)
Transfers		-	-	-	-	-	-	-	-
At 31 st August 2025		13,720,764	26,706	-	-	2,188,047	704,222	70,713	16,710,452
Depreciation									
At 1 st September 2024		2,650,881	-	-	-	1,000,985	689,249	59,843	4,400,958
Charge for the year		315,116	286	-	-	153,921	8,213	11,866	489,402
Disposals		-	-	-	-	(23,251)	-	(12,000)	(35,251)
At 31 st August 2025		2,965,997	286	-	-	1,131,655	697,462	59,709	4,855,109
Net book value at 31 st August 2025		10,754,767	26,420	-	-	1,056,392	6,760	11,004	11,855,343
Net book value at 31 st August 2024		11,069,883	-	-	-	1,022,994	14,973	22,870	12,130,720

All assets are used for charitable purposes.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

14. INVESTMENTS

	2025 £	2024 £
Group investments		
At 1 September	467,134	425,971
New money invested	-	-
Reinvested income	41,976	-
Amounts extracted	-	-
Investment management fees	(2,989)	(2,699)
Realised gains/(losses) on investments	2,270	6,200
Unrealised gains/(losses) on investments	20,014	37,505
Movement in uninvested cash	-	157
Group investments at 31 August	528,405	467,134
Investment in subsidiaries	100	100
Company investments at 31 August	528,505	467,234
Investments comprise:		
Listed investments		
Fixed interest	117,746	99,965
Equities	294,192	327,208
Multi-asset funds	-	-
Unlisted investments		
Land and buildings	-	-
Other	71,938	33,670
Cash	44,529	6,291
Group investments at 31 August	528,405	467,134
Investment in subsidiaries	100	100
Company investments at 31 August	528,505	467,234

Denstone College owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England/Wales. Further details are provided in note 33.

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

The main Investments and Fees in Advance Scheme Investments deposits are managed for Denstone College by Cazenove. All investments are managed and held in the UK.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

15. DEBTORS

	Group 2025 £	2024 £	Company 2025 £	2024 £
School fees receivable	434,615	53,033	434,615	53,033
Trade debtors	8,749	60,240	330	37,448
Other debtors	39,819	35,315	4,892	33,168
Prepayments and accrued income	357,414	228,204	357,414	222,812
Tax recoverable	-	45,000	-	-
Amounts due from subsidiary company	-	-	344,411	167,777
Amounts due from parent company	-	-	-	-
	840,657	421,792	1,141,662	514,238

School fees receivable are net of £91,325 (2024: £23,043) provided for doubtful debts.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

16. CREDITORS: amounts falling due within one year

	Group 2025 £	2024 £	Company 2025 £	2024 £
Bank loans and overdrafts (note 18)	118,013	117,174	118,013	117,174
Other loans	-	-	-	-
Net obligations under finance leases	-	-	-	-
Deposits from parents	50,800	47,000	50,800	47,000
Fees received from parents in advance of term	2,216,836	2,197,641	2,216,836	2,197,641
Trade creditors	444,038	118,996	443,926	113,065
Taxation and social security	977,734	298,827	977,734	288,930
Other creditors	264,690	267,107	263,417	265,357
Fees in Advance Scheme (note 19)	1,063,123	1,988,077	1,063,123	1,988,077
Accruals	273,952	275,761	264,361	271,611
Deferred income	25,136	-	25,136	-
Amounts due to subsidiary company	-	-	-	-
Amounts due to parent company	-	-	-	-
	5,434,322	5,310,583	5,423,346	5,288,855

Summary of movements in deferred income

	£
Balance at 1 September 2024	-
Amounts arising in the year	25,136
Amounts transferred to SOFA	-
Balance at 31 August 2025	25,136

Deferred income arises for the first time due to changes in our home-to-school bus provision. Instead of billing on termly bills, parents may now buy trips on a daily basis via a portal. During the summer of 2025, parents purchased trips for Michaelmas / Autumn 2025. The cash was received and the income deferred into the term to which the trip income related.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

17. CREDITORS: amounts falling due after one year

	Group 2025 £	2024 £	Company 2025 £	2024 £
Bank loans and overdrafts (note 19)	1,503,673	1,607,571	1,503,673	1,607,571
Other loans	-	-	-	-
Net obligations under finance leases	-	-	-	-
Deposits from parents	319,786	311,252	319,786	311,252
Other creditors	-	-	-	-
Fees in Advance Scheme (note 20)	846,210	1,869,830	846,210	1,869,830
Amounts due to subsidiary company	-	-	-	-
Amounts due to parent company	-	-	-	-
	2,669,669	3,788,653	2,669,669	3,788,653

Parents pay to the school a deposit of £600 in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils all remain in the school (which the vast majority do based on historical information), we record the deposits for students as due after one year, with the exception of students in the Upper Sixth form.

18. BANK LOAN

	2025 £	2024 £
The bank loan is repayable in instalments		
Due after 5 years	999,731	1,108,779
Due within 2 to 5 years	382,840	378,776
Due within 1 to 2 years	121,102	120,016
Due after more than one year	1,503,673	1,607,571
Due within 1 year	118,013	117,174
	1,621,686	1,724,745

Denstone College has a bank loan from Lloyds Bank Plc. The loan is secured by charges on the school's assets. A commercial loan was utilised to fund the first stage of the Prep school on an interest-only basis until March 2022. This loan was converted to include capital repayment from March 2022 and is repayable over 15 years.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

19. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2025 £	2024 £
After 5 years	-	-
Within 2 to 5 years	402,121	402,121
Within 1 to 2 years	444,089	1,467,709
Due after more than one year	846,210	1,869,830
Within 1 year	1,063,123	1,988,078
	1,909,333	3,857,908
Summary of movements in liability		£
Balance at 1 September 2024		3,857,908
New contracts		71,781
Repayments		(30,595)
Amounts used to pay fees		(1,989,761)
Amount accrued to contract as debt financing cost		-
Balance at 31 August 2025		1,909,333

20. COMMITMENTS UNDER OPERATING LEASES

The future minimum commitments under non-cancellable operating leases are:

	2025 £	Other 2024 £
Within 1 year	125,094	141,365
Within 1 to 5 years	279,815	86,967
After 5 years	-	-
	404,909	228,332

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

21. SHARE CAPITAL

	2025 £	2024 £
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

22. FUNDS

Denstone College's funds are analysed under the following headings:

a) ENDOWED FUNDS

Special Endowment

The Special Endowment funds of the company include a number of individual trust and prize funds set up by donors as permanent capital. The income generated is restricted to funding scholarships, bursaries, grants and prizes.

b) RESTRICTED FUNDS

The benefit fund is held in trust by the Woodard Corporation to assist former pupils by contributing towards the school fees of their children or dependents or in such a manner (being exclusively charitable) as the Trustees consider for their benefit. The fund has been built up by voluntary contributions. The College Council has power to determine on behalf of the Trustees which pupils shall receive benefit and the nature and extent of such benefit. The purpose is to provide financial support to pupils whose family circumstances would otherwise prevent them from attending the College.

c) UNRESTRICTED FUNDS

Unrestricted funds represent accumulated income from the school's activities and other sources that are available for the general purposes of the school.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Endowed £	Total 2025 £	Total 2024 £
Group					
Tangible fixed assets	11,855,343	-	-	11,855,343	12,130,720
Investments	100	144,156	384,249	528,505	467,134
Property investments	-	-	-	-	-
Fees in Advance Scheme investments	-	-	-	-	-
Net current (liabilities)/assets	59,701	166,866	(54,342)	172,225	(136,095)
Long term liabilities	(2,686,298)	-	-	(2,686,298)	(3,812,918)
	<u>9,228,846</u>	<u>311,022</u>	<u>329,907</u>	<u>9,869,775</u>	<u>8,648,841</u>
	Unrestricted £	Restricted £	Endowed £	Total 2025 £	Total 2024 £
Charity					
Tangible fixed assets	11,845,860	-	-	11,845,860	12,112,285
Investments	100	144,156	384,249	528,505	467,234
Property investments	-	-	-	-	-
Fees in Advance Scheme investments	-	-	-	-	-
Net current (liabilities)/assets	69,183	166,866	(54,342)	181,807	(118,936)
Long term liabilities	(2,686,298)	-	-	2,686,298	(3,812,918)
	<u>9,228,845</u>	<u>311,022</u>	<u>329,907</u>	<u>9,869,774</u>	<u>8,647,665</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

24. SUMMARY OF MOVEMENTS ON MAJOR FUNDS GROUP.

	At 1 Sept 2024 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	At 31 August 2025 £
Endowed - Expendable						
Bursary Fund						
School	225,644	9,648	(11,790)	-	-	223,502
Revaluation Reserve	91,734	-	-	-	14,671	106,405
	<u>317,378</u>	<u>9,648</u>	<u>(11,790)</u>	<u>-</u>	<u>14,671</u>	<u>329,907</u>
Total Endowment	<u>317,378</u>	<u>9,648</u>	<u>(11,790)</u>	<u>-</u>	<u>14,671</u>	<u>329,907</u>
Restricted Funds						
Scholarships, bursary & prizes	215,412	41,547	(799)	-	-	256,160
Revaluation	47,249	-	-	-	7,613	54,862
	<u>262,661</u>	<u>41,547</u>	<u>(799)</u>	<u>-</u>	<u>7,613</u>	<u>311,022</u>
Unrestricted Funds						
General Reserve	8,068,802	16,282,009	(15,120,789)	-	-	9,230,022
	<u>8,068,802</u>	<u>16,282,009</u>	<u>(15,120,789)</u>	<u>-</u>	<u>-</u>	<u>9,230,022</u>
Total Funds	<u>8,648,841</u>	<u>16,333,204</u>	<u>(15,133,378)</u>	<u>-</u>	<u>22,284</u>	<u>9,870,951</u>

Note 22 provides details of the individual funds.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

25. PENSION SCHEMES

Teachers' Pension Scheme

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £748k (2024: £880k) and at the year-end £0 (2024: £0) was accrued in respect of contributions to this scheme.

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 school has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI) (this change has had the greatest financial significance)

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy).

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

25. PENSION SCHEMES (Continued)

Pensions Trust Growth Plan

The school participates in the TPT Retirement Solutions - The Growth Plan, which is a multi-employer scheme providing benefits to over 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the school to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for it as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the school is potentially liable for other participating employers' obligations if those employers are unable to meet their share of scheme deficits following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficits on an annuity purchase basis on withdrawal from the scheme.

Summary of provision for pension deficit recovery plan

	Company 2025 £'000	2024 £'000
TPT Retirement Solutions - The Growth Plan	16	24

TPT Retirement Solutions - The Growth Plan Deficit Contributions

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2022 to 31 January 2025:	£3.312 m per annum

Unless a concession has been agreed with the Trustee the term to 31st January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows.

From 1 April 2019 to 30 September 2025:	£11.243 m per annum (payable monthly and increasing by 3% each on 1 st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

25. PENSION SCHEMES (Continued)

Present Values of Provision	2025 £000	2024 £000

Present value of provision

Reconciliation of opening and closing provisions	2025 £000	2024 £000

Provision at 1 September	4	14
Unwinding of the discount factor	-	1
Deficit contribution paid	(7)	(11)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	20	-
Provision at 31 August	17	4

Income and expenditure impact	2025 £000	2024 £000

Interest expense	-	1
Unwinding of the discount factor	-	-
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	20	-
Contributions paid in respect of future service *	-	-
Costs recognised in income and expenditure account	-	-

Assumptions	2025 % per annum	2024 % per annum

Rate of discount	4.37	5.13

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Deficit Contributions Schedule

The following schedule shows the deficit contributions agreed between the company and the scheme at each year end period:

	2025 £000	2024 £000
Year 1	7	4
Year 2	7	-
Year 3	4	-
Year 4	-	-
Year 5	-	-
Year 6	-	-
Year 7	-	-
Year 8	-	-
Year 9	-	-
Year10	-	-

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

25. PENSION SCHEMES (Continued)

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

Royal London Defined Contribution Pension Scheme

On 1st January 2022 the Royal London pension scheme was opened to newly recruited teachers in place of the Teachers' Pension Scheme and has also been made available to our existing teachers as an alternative option to the Teachers' Pension Scheme. The group made total employer contributions to the defined benefit scheme of £396,189 (2024 £351,546). As this scheme is solely a defined contribution scheme, there are no scheme liabilities to report.

26. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2025 £	2024 £
Net income for the period (as per the Statement of Financial Activities)	1,222,110	556,354
Adjustments for		
Depreciation charges	489,402	473,619
(Gains)/losses on investments	(64,260)	(43,881)
Dividends, interest, and rents from investments	(13,906)	(14,724)
Financing costs	188,193	152,563
Investment Management fee	2,989	2,699
Loss/(profit) on the sale of fixed assets	(24,000)	-
Defined benefit pension scheme	7,636	-
(Increase)/decrease in stocks	1,338	41,343
(Increase)/decrease in debtors	(418,866)	(164,555)
Increase/(decrease) in creditors	1,079,347	1,670,904
Net cash provided by (used in) operating activities	2,469,983	2,674,322

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Cash in hand and at bank	4,759,863	4,745,331
Total cash and cash equivalents	4,759,863	4,745,331

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 st Sept 2024	Cash flows	Other non- cash changes	At 31 st Aug 2025
	£	£	£	£
Cash and cash equivalents				
Cash	4,745,331	14,532	-	4,759,863
Overdraft facility repayable on demand				
	<u>4,745,331</u>	<u>14,532</u>	<u>-</u>	<u>4,759,863</u>
Borrowings				
Loans falling due within one year	(117,174)	(839)	-	(118,013)
Loans falling due after more than one year	(1,607,571)	103,898	-	(1,503,673)
Finance lease obligations	-	-	-	-
	<u>(1,724,745)</u>	<u>103,059</u>	<u>-</u>	<u>(1,621,686)</u>
Total	<u><u>3,020,586</u></u>	<u><u>117,591</u></u>	<u><u>-</u></u>	<u><u>3,138,177</u></u>

29. SUBSIDIARIES

The Company owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in [England/Wales] (Company number: 05181951). This company carries out trading activity on behalf of the Denstone College including commercial letting and sales from the school's tuck shop.

Denstone College Enterprises Limited had a turnover of £561,175 (2024: £427,062), gross profit of £157,504 (2024: £39,717), and a profit before tax and gift aid of £137,085 in the year ended 31 August 2025 (2024: profit of £67,960). At 31 August 2025 the company had shareholder's funds of £100 (2024: £100).

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

30. Consolidated Statement of Financial Activities – Comparative figures by fund type

Year Ended 31 August 2024	Unrestricted £	Restricted £	Endowed £	Total £
Income and endowments from Charitable activities				
School fees receivable	13,420,060	-	-	13,420,060
Ancillary trading income	1,052,123	-	-	1,052,123
Other trading activities				
Non-ancillary trading income	486,828	-	-	486,828
Investments				
Investment income	-	3,674	11,050	14,724
Bank and other interest	26,378	-	-	26,378
Voluntary sources				
Grants and donations	211,656	34,494	-	246,150
Other incoming resources				
Total Incoming Resources	15,197,045	38,168	11,050	15,246,263
Expenditure on:				
Raising funds				
Non ancillary trading	325,768	-	-	325,768
Other income generating activities	-	-	-	-
Financing costs	152,563	-	-	152,563
Investment management	-	501	2,283	2,784
Fundraising and development	24,043	-	-	24,043
Total Deductible Costs	502,374	501	2,283	505,158
Charitable activities				
Education and grant making	14,217,709	-	10,747	14,228,456
Total resources expended	14,720,083	501	13,030	14,733,614
Net gains/(losses) on investment assets	-	10,137	33,568	43,705
Net income/(expenditure)	476,962	47,804	31,588	556,354
Transfers between funds	-	-	-	-
Other recognised gains/(losses)	-	-	-	-
Pension scheme actuarial gains/(losses)	-	-	-	-
Net movement in funds for the year	476,962	47,804	31,588	556,354
Fund balances at 1 st September	7,591,840	214,857	285,790	8,092,487
Fund Balances at 31st August	8,068,802	262,661	317,378	8,648,841

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

31. CONTINGENT LIABILITIES

The Company has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2024. As of this date the estimated employer debt for the Company was £X, including Series 3 liabilities.

32. ULTIMATE CONTROLLING PARTY

The Woodard Corporation Limited is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements can be obtained from The Woodard Corporation, 1 Adam Street, London, WC2N 6LE. The accounts of Denstone College Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

33. RELATED PARTIES

As stated in note 32, Denstone College Limited is a wholly owned subsidiary of The Woodard Corporation. An amount of £95,030 was paid during the year to Woodard Corporation by way of a levy to meet running costs.

The company also controls a subsidiary trading company, Denstone College Enterprises Limited.

A small number of expenses were paid to three Trustees during the year, for hotels and mileage.

A staff discount was applied to the fees of the children of one member of the Key Personnel.

34. POST BALANCE SHEET EVENTS

At the date of signing these financial statements, no events had occurred subsequent to the year end which require disclosure in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2025

35. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

Pension scheme deficit reduction payments

As explained at note 25, there is a deficit reduction plan in place in respect of Denstone College's membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Pension scheme contingent liability

As explained at note 25, there is a contingent liability in the event that Denstone College were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Provision for bad debts

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

Depreciation, impairment and residual values of fixed assets

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates for depreciation, and for matters of impairment.

Denstone_College_Accounts_Pack_2024-25_FINAL

Final Audit Report

2026-01-13

Created:	2026-01-13
By:	Emma Robey (ERobey@denstonecollege.net)
Status:	Signed
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-  Document created by Emma Robey (ERobey@denstonecollege.net)
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DENSTONE COLLEGE LIMITED

England & Wales - Charity number 1102588

Accounts

Charity Registration No. 1102588

Company Registration No. 05010957 (England and Wales)

DENSTONE COLLEGE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2024

DENSTONE COLLEGE LIMITED

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DENSTONE COLLEGE LIMITED

COMPANY INFORMATION

DIRECTORS AND ADVISORS

Directors

Prof N T Ratcliffe (Chair)
Mrs E L Bell (resigned 27/6/24)
Mr D T Brown
Mr M F Coffin
Mr A D Coley
Mr D A Cooper
Mrs J Dickson (resigned 28/11/23)
Mr B W Hinton (resigned 14/3/24)
Capt. M G Huddy
Mr H R Jones (appointed 19/6/24)
Mr C J Lewis
Mr G T McAloon (appointed 14/3/24)
Mrs B A McNally-Young
Mrs J J Marshall
Mr J C Sampson
Dr Q Siddiqi

Charity No.

1102588

Company No.

05010957

Principal Address and Registered Office

Denstone College Ltd, Uttoxeter
Staffordshire, ST14 5HN

Key Management Personnel

Head

Miss L E Tulloch

Bursar / CFO

Mrs M A Walker

Auditor

Moore Kingston Smith LLP
6th Floor, 9 Appold Street, London, EC2A 2AP

Bankers

Lloyds Bank
1 Pride Hill, Shrewsbury, SY1 1DG

Solicitors

Veale Wasbrough Vizards LLP
Narrow Quay, Bristol, BS1 4QA
Farrer & Co
66 Lincoln's Inn Fields, London, WC2A 3LH
Martin Kaye
The Foundry, Euston Way, Telford, TF3 4LY

Investment Advisers

Cazenove Capital
1 London Wall Place, London, EC2Y 5AU

Insurance Brokers

Marsh
1 Tower Place West
Tower Place, London
EC3R 5BU

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2024**

The directors present their report and financial statements for the year ended 31st August 2024 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in 2004 and is registered with the Charity Commission as charity number 1102588. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The charitable company is incorporated in the United Kingdom. Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The company is governed by Articles of Association as adopted by Special Resolution dated 2 July 2015 and 20 March 2013, replacing those dated 9 January 2004 amended by Special Resolution dated 25 January 2006. They permit funds to be managed in such a manner as the directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the company.

Governing Body

The governors are the directors and charitable trustees of the company and comprise the governing body of Denstone College and are elected to hold office for five years. The school is governed by the governing body which operates using a number of committees. Membership of each committee is outlined on page 14. The governing body met 5 times during the year.

Recruitment and Training of Governors

All governors are Fellows of the Woodard Corporation. Fellows are responsible for electing the Woodard Corporation Board. Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The governing body look to ensure a mix of skills and select new governors on the basis of background, competence, specialist skills and, in the case of Fellows, Christian commitment. Governors are provided with induction training by the Head, Bursar / CFO and staff and a wider programme of training events is organised by the Woodard Corporation.

Where possible the governors consider that the skills and experience of the governing body should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.

One Governor may have one or more of these skills.

Volunteers

Governors are volunteers, providing their time for free to support the governance of the school. Many are OD's or had or have children at the School. The School also relies on a number of others to undertake volunteer roles including rugby coach, independent listener, reading with Prep School children, assistance in Chapel and Parent Associations. These endeavours are also important to the School in building community and relationships and some of them also involve raising funds for specific small projects.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2024**

Organisational Management

The school is governed by the governing body which delegates work to a number of committees. Membership of each committee is outlined on page 14. The Directors determine the general policy of the company.

Compliance Committee - Risk Management, Health and Safety, GDPR, UKVI, security and inspection are agenda items. It met three times during the year.

Finance & General Purpose Committee – the committee has a remit to consider budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It also considers financial policies and the financial regulations. Estates, building maintenance and capital development are also reviewed here. It makes recommendations to the governing body for approval. The committee met five times during the year.

Education Committee – the Education Committee is responsible for oversight of the academic performance of the school and educational policy, making recommendations to the governing body. It met three times during the year.

Other committees include Development, IT, People, Remuneration and Safeguarding.

The day to day management of the company is delegated to the Head and the Bursar/CFO as the Key Management personnel, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration is undertaken within the policies and procedures approved by the governors which provide for only significant expenditure decisions and major capital projects to be referred to the governors for prior approval.

The Head oversees the recruitment of all educational staff, whilst under delegated authority the Bursar/CFO oversees the recruitment of administrative and non-teaching support staff. The Head and Bursar/CFO are invited to attend governors' meetings.

The remuneration of key management personnel is set by the governing body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school'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 school remains sensitive to the broader issues of pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at the relevant point within a band, providing scope for rewarding excellence. We recognise that delivery of the school's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Group Structure and Relationships

The company has a wholly owned non-charitable subsidiary, Denstone College Enterprises Limited, the activities and trading of which are described below. Note 34 provides details of connected parties.

We have a thriving alumni group, the Old Denstonians (OD's), who are generous in supporting the work of the School and whose support we greatly appreciate. We also cooperate with many local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and extend education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2024

principles of the Church. The Church is defined as being the Church of England and churches in full communion with the See of Canterbury.

Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education; and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They are strong Christian foundations which adhere to catholic belief as found in the Church, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain.

Aims

Denstone College is a boarding and day school for pupils from the ages of 4 to 18. It aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life.

Primary objectives

The primary objectives of Denstone College to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgment and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from an Denstone College education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately, and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

- to resource the College to provide a broad and relevant curriculum that leads to successful participation and academic outcomes.
- to grow boarding for our younger students, from Y3, delivering a wider experience for all of our boarders, with older students as role models.
- 10-12% of fee income is allocated to assist in enabling talented children whose parents could otherwise not afford for them to attend the School.
- Governors are responsible for the overall management and control of the School. They meet at least three times a year and also hold sub-Committee meetings for decision making. The day-to-day management is delegated to the Head and Bursar/CFO, supported by their management teams, covering a variety of operational and compliance aspects. Additionally, Housemasters and Housemistresses are heavily involved in pastoral support. Our tutor system links most academic staff to one of our eight Houses, bringing a strong cohesion to our community.
- A forum is held half-termly to ensure colleagues have a valued voice in the School. Representatives from all areas of School attend and provide feedback.

Principal Activities of the Year

The principal activity of the school is the delivery of education to pupils ranging from 4 to 18 years of

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2024

age. We also let the School to sporting and other groups during holidays and the School is open at other times for use by the local community. Pupil numbers at the school during the year were as follows:

	2023/2024		2022/2023	
Senior School	674	(182 boarder)	660	(179 boarders)
Preparatory School	82	(1 boarder)	85	(10 boarders)
Pre-Preparatory School	23		31	
Total	<u>779</u>		<u>776</u>	

	2023/2024		2022/2023	
	Boys	Girls	Boys	Girls
Senior School	389	285	374	286
Preparatory School	57	25	57	28
Pre-Preparatory School	15	8	20	11
Total	<u>461</u>	<u>318</u>	<u>451</u>	<u>325</u>

Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community. Denstone College fully understands the truly privileged position it holds as an independent school in the current climate. To that end, the College seeks to allow every member of our community to understand this privilege and to ensure a sense of giving back is at the heart of our mission. As a Woodard school guided by Christian values, the sense of putting others before selves is critical.

In the furtherance of these aims the Denstone College governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our school will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes. Our assessment seeks to find children who would thrive in this environment, and protected characteristics are indeed protected. Denstone College continues to support a number of families through financial bursaries up to 110%. We work closely with the Local Authority and the Royal National Springboard Foundation to help educate some of the most vulnerable children in our local area.

Our school is part of a wider community and we are keen that our staff and pupils participate. Our school also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our governors are committed to developing our programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of our programme are explained in the 'review of achievements and performance for the year' section and are well documented on our 'Schools Together' page.

Denstone College proudly educates its young people in the need to give back and in doing so, weekly charitable assemblies showcasing our many fundraising and charitable efforts are a highlight in the school week. Children are encouraged to give freely of time, resource and care; statistics for volunteering hours earned through the Duke of Edinburgh Award Scheme only skim the surface of what our pupils achieve – often without realising their generosity.

Denstone College is committed to continuing the good work of our public benefit and enhancing this further. Woodard and its schools provide a significant benefit to the public. The school strives to

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2024

ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all.

Concessions Including Bursaries & Scholarships

Our school does not have an endowment and in funding our concessions we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. Further details of our concessions and how to apply are available on our website at www.denstonecollege.org.

All criteria relating to concessions are kept under review and are updated when necessary.

Bursaries

Bursary awards are important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In most cases the budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school.

This year the value of means tested bursaries totalled £622k (2023 £552k). They provided assistance to 49 of our pupils of which 9 pupils benefited from a full remission of fees.

Scholarships

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

The School awarded (financial) scholarships to 99 pupils (2023 – 151), based on their educational merit and potential, totalling £267k (2023 £377k) and representing 1.7% (2023 – 2.6%) of our gross fees. Of this number, 10 also qualified for means-tested bursary support and are included in the figures relating to bursary awards. Scholarships awarded after September 2021 no longer carry a financial award, with those awarded previously continuing.

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

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Engagement with Suppliers, Customers and Others in a Business Relationship with Denstone College

Denstone College seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the School's operations.

During the year the School has further promoted this engagement through specific initiatives including:

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2024

- Regular communication and engagement with parents and prospective parents of pupils attending Denstone College to enhance the understanding of the provision to each pupil and to fully coordinate support to pupils from parents and schools.
- Engagement with other educational organisations and partners at local and national levels to share best practice and to provide peer support.
- Active dialogues with local councils on matters which impact children and families in the community as well as relate to operation of each school.
- Engaging with local businesses to promote career and educational opportunities for pupils for their mutual benefit.
- Seeking all possible opportunities to engage with local and national suppliers in the area.
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to Denstone College.
- Promoting and encouraging pupil and staff opportunities to engage in local voluntary and other projects to support the community.
- Providing community access to Denstone College and, in many cases, adopting a role that puts the school or academy at the heart of a community.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Responding to External Pressures

The independent schools' sector, including Woodard independent schools, stood up well to the problems created by the 'cost of living crisis' but independent schools remained concerned, and many were planning for pressure on pupil numbers, particularly once the new Labour Government confirmed the introduction of VAT on school fees from 1st January 2025.

The increases in the cost of living impacted all areas of cost for independent schools, particularly in staff costs. The more recent return to long term rates of inflation has lessened this impact, but schools have all faced an issue in recovering their costs through fee rises. This will continue with the introduction of VAT. The removal of 80% Business Rate Relief from April 2025 has a significant impact and further to that, the increase in Employers' National Insurance was also announced in the October 30th Budget. This element was unexpected and unbudgeted by the school. A target savings plan was created and then approved by Governors in November 2024, aimed at delivering the same level of surplus for academic year 2024/25. The 2024/25 plans show delivery of a modest surplus.

School Performance and Achievements

During the year we educated 779 children between the ages of 4 and 18. The school offers a broad curriculum and educates children with a wide range of ability. The educational performance of the School was excellent, as demonstrated by the public examination results. The school achieved a 94% pass rate at grades 4 or above for GCSE, of which 38% of exams were graded 7 or above, and at A Level or equivalent qualifications, 80% of grades were A to C, of which 35% of exams were graded A* or A (or equivalent). With an average score of 122 UCAS points per candidate - equivalent to around ABB grades at A Level – this year's A level cohort secured many impressive post-sixth form destinations, with the vast majority moving on to higher education at their first-choice destination. These results are well above the national average for all schools; increasing numbers of pupils are now successfully admitted to Oxbridge.

We continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. Denstone College continued with its development programme and during 2023-24 undertook refurbishments including improvements to the (borehole) water infrastructure system, upgrades to various heating systems and the commencement of North House boarding enhancements.

Arts, Music and Drama

One of the important elements of any Woodard school is the concentration on arts, music and drama. Denstone College makes excellent provision in all different aspects of these activities. The inter-house 'Cultural Cup' has been expanded further this year, with the addition of Crossword, Spelling,

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2024**

Mythology, Science Speed Presenting, Declamation and Poetry Competitions, in addition to the wide range already on offer.

The 2023-2024 academic year continued to see exciting musical developments. The concert programme has expanded and the Scholars and Advanced Musicians' Concert set the bar for extremely high quality. A series of lunchtime concerts in the Music School also saw a range of developing performers take to the stage to hone their skills. This year also saw the introduction of two new events - a dedicated joint concert between the Prep and the College, showcasing both aspects of the Department to great success, and a Music Theatre and LAMDA showcase event. With the Music Department now managing the delivery of LAMDA lessons, we felt that there was a great opportunity to showcase individual skills in both Music and LAMDA, and we look forward to this becoming a regular event. The Chapel Choir has continued to push itself with diverse and interesting repertoire: this year our Carols by Candlelight service explored the work of women composers, allowing us to present a range of interesting contemporary work. For the Choral Concert this year we tackled Haydn's 'Nelson Mass', as always with pupil soloists and pupils performing in the orchestra itself. The parent choir aspect of this event continues to be popular and well attended. The College ensembles have also continued to progress well, with the Big Band and Soul Band taking the opportunity to perform a concert at the Denstone Village Hall. This was a well-attended event, and has triggered several external performance requests for the coming academic year. This year's Music Tour took us to Devon, with 22 pupils attending, and a number of performance opportunities with local ensembles. At the Prep, music continued developing at a pace with a new Head of Music for The Prep driving progress. Teatime Concerts were a regular occurrence with pupils from the age of 5 years upwards performing, developing confidence when performing in front of others. The Prep House Music Competition was hard and all pupils in The Prep were fully involved, developing performance experience and enjoying singing. Regular music clubs take place throughout the week e. g. chapel choir, show choir, string group, recorder group.

In December 2023, over 65 of our talented Middle and Senior School worked to produce an outstanding production of 'The Addams Family Musical'. All of the pupils collaborated tirelessly to ensure that the show was a success: the performance of its leads, the energy of the ensemble, the enthusiasm of the singing, the accomplished 12-piece band, the challenging and captivating choreography, the ambitious stage design, and the fun mood generated by the tech team all ensured that the show was full of energy and fun. The Lower School performance of 'Shrek Junior' produced by the First, Second and Third formers in May 2024, revealed equal dramatic ability and professionalism in our Lower School. This was a beautiful show, featuring 70 student actors, several student assistant directors, twenty plus student designers and a student tech team. The audience were treated to four performances, all of which were received with delight. February 2024 saw again the House Drama Festival, an event involving all of our Second Form students and creative representatives from the Lower Sixth. All of the students worked together in houses to create original and entertaining pieces of theatre; all of which were well-received by their two audiences. Those taking GCSE and A Level performed in 4 different evening showcases as a part of their curriculum assessments. Denstone's audiences were treated to a variety of different styles: Greek, Shakespeare, Political and Comedy, and others, all to a very high standard. Alongside the extra-curricular performances, these were again supported by the pupil tech team members who continue to impress with their practices in lighting and sound. LAMDA has gone from strength to strength and this has continued to be a success. Near to 40 pupils are studying for LAMDA qualifications. We have continued to host evening screenings of a range of theatrical productions in the School Room and we were fortunate to take our students to visit Nottingham's Opera House to watch a production of the thrilling *The Woman in Black*. At the Prep, all pupils from Prep 3 to Prep 6 have weekly drama lessons and LAMDA again proved popular with many children attending regular lessons and successfully achieving in exams.

Sport

Sport at Denstone continues to be an impressive part of our co-curricular offering and one which is valued highly amongst pupils and their parents. Our programme remains invested in the traditional sports as well as providing a programme with a recreational bias which is guided by teachers', passions, interest and skill. Our Games programme focuses on the development of the individual and we are bold and assured in our position on this. Sport is our vehicle to develop pupils' in their life skills such as resilience, communication, humility, patience and decision making alongside the development of their practical skills. In rugby, our programme continues to embed this culture of participation and development, and it has been great to see the senior boys particularly embrace this notion. In netball,

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2024

our programme continues to develop with long term goals and ambition. We have offered more opportunities for training in the day and before school as well as competitions at the younger age groups to ensure a level of appropriate challenge and motivation for the pupils. In cricket, recruitment has been significant, and we hope to build on the development of our younger players and the success of our U17 team from last summer. In Hockey, we remain competitive in Tier 1 and the Director of Hockey has worked extremely hard to establish a programme which has the right focus and level of ambition for our resources. Football also remains a popular option. The department provides an element of continuity for the Prep School, and we have started to see the benefits of this with more scholarships being awarded to Prep 6 pupils than previously. At the Prep, pupils from U8 to U11 teams represented the school in a number of sporting fixtures throughout the year e.g. netball, rugby, hockey. We also ran our first ever cricket festival, which was very well supported by other local schools.

Community

Through development of, and provision of access to, our facilities, Denstone College remains at the heart of the community. Facilities, which are offered at times free of charge or at rates below commercial levels, that are made open to the public include:

- Our all-weather cricket nets and sports hall that are made available to both local senior and junior clubs, often along with coaching to participants.
- Our swimming pool, which is made available to local swimming clubs and for use by local primary and middle schools. In addition to swimming lessons for our secondary age pupils, we provide 'Learn to Swim' teaching lessons for local children aged between 2.5 and 12 years, with about 300 participating.
- The Sports Hall is made available for local groups across various sports and leisure activities.
- Our sports pitches are used in regular fixtures against local schools in a variety of sports, with the outside community also able to use these facilities. Various youth groups and child sports clubs enjoy evening sessions, particularly on our floodlit all-weather pitch.
- We have hosted county, and indeed regional, hockey, rugby and cricket matches and trials, including some national cricket trials at various age levels.
- The local community are welcome to attend our Carols by Candlelight and other Chapel services and our drama and musical performances, either in the theatre or Chapel, are open to members of the village community, upon request.
- The College allows some 80 associate members from the local community to enjoy our golf course facilities.
- Subject to the necessary permissions, we can host wedding ceremonies and receptions.
- Through our Enterprise Company, we provide our facilities to children and adults in various sport and general activity groups during the School holidays.
- We continue to work very closely with the Parish Council and have met with them on numerous occasions to ensure we work collaboratively within the village.
- Our Prep Eco-Committee continues to work with the school community, developing links with the College. Activities included helping to plant-up the College Wellbeing Garden where have our own planting bed, working to reducing waste, litter picking, electricity conservation activities and introducing paper recycling throughout the school.

Other Activities undertaken in the Community

These include the many that benefit from the fundraising efforts of our pupils and staff, and from volunteer work locally and further afield. Members of the College CCF contingent meet with local Army, Air Training and Sea Cadets in competition. Local cadet forces and Uttroter Rifle Club use the outdoor range. Pupils embarking on their Duke of Edinburgh Awards have regularly visited the elderly and help with local projects, including Community Speed watch, litter picking, maintaining the church yards and assisting as junior coaches in local sports clubs. Our Directors of Rugby and Hockey are in regular contact with local clubs. We continue to value our links with the local community and make facilities available to them.

Outreach

We continue to extend our classroom teaching provision to some 6th Form pupils from local state schools. We also continue to have a number of staff on governing bodies at local schools. The College ran a very successful Science Workshop Day for local primary schools, led by our Head of Science. The department ran a number of practical activities for approximately 70 local primary school children. In July 2024, we invited local primary schools to an U10 Cricket Festival. The schools played a number of fixtures against each other, and we welcomed approximately 75 local children to the Festival. This

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also involved visits from our Director of Cricket and Cricket Coach to local primary schools to provide coaching. In October 2023, we welcomed 150 local primary school children to Denstone College from 5 different primary schools for an all-day hockey festival, led by our Director of Hockey. The feedback received following the event was extremely impressive. All children left with a beginner's hockey stick so they can continue to play hockey moving forward. In the summer term, we organised an English writing competition for local primary schools. A number of schools participated, and we were inundated with entries. We have also recently organised an Art exhibition. As part of Parliament Week, our Head of Politics visited a local primary school to lead parliament workshops. We continue to work closely with OSSMA in Stoke and Derby County. The Staffordshire Sports Partnership recently used our facilities for sports events with local schools. The charity is continuing to develop wider community links and widening educational access to their facilities, both on free terms and at fee rates below commercial levels.

Wider Experiences

The College offered many trips to its pupils this year, including important fieldwork trips (such as the Geography trip to Wales, and trips to academic conferences and workshops), a range of stimulating sports trips, tournaments and tours (including the St Joseph's and Rosslyn Park rugby festivals, where teams performed very strongly, and a pre-season trip to Barbados amongst others), boarders' trips to a range of entertainments, including seeing Jack and the Beanstalk at the Manchester Opera House, and a wide range of other edifying opportunities, in addition to the numerous trips associated with outdoor pursuits. In the Prep, children have benefitted from a number of off-site activities and trips including our annual trip to the pantomime in Buxton, a trip to Treak Cliff Caverns, Alton Castle, Blists Hill and The Black Country Museum. All pupils from Prep 3 to Prep 6 also attended residentials during the Summer Term, where they experience outdoor activities to develop teamwork, social skills and independence.

Combined Cadet Force (CCF), Duke of Edinburgh (DofE) Awards and Outdoor Pursuits

From 4th Form upwards, all pupils have the opportunity to join the CCF, which has an Army and RAF section within the contingent. Currently over 120 students take part in the CCF. The CCF ran Field Day exercises every term at Swynnerton and Leek military training areas and attended an annual camp during the summer holidays at Warcop near Penrith. The contingent won the Gun Run competition, which involved taking a cadet artillery gun around a course, dismantling and reassembling it along the way, also one of our cadets was the runner up as best shot. Our association with JCB Academy is running well: they bring 20 cadets each week and 2 members of staff.

DofE remains a big part of the Activities programme. Over 90 pupils take part in Bronze award, 56 Silver and over 40 are aiming to complete Gold. Completion rates are strong and improving, especially at Bronze and Silver. Staff are qualified as expedition assessors which helps to keep the costs down for the expedition section, enabling maximum participation for pupils from all different backgrounds. Outdoor pursuits have continued to thrive at Denstone. This year, the Sunday Climbing Club was well supported with a number of pupils working towards their NICAS and NIBAS awards. 2nd Form visited Challenge Academy at Baggeridge Country Park with all pupils having the opportunity to complete the high ropes course and continue to explore ways to become a better person and develop resilience. The annual diving trip to Malta ran very successfully in October 2023. The annual School ski trip was again very popular.

Charitable Activities

We began the year with the Prep Macmillan Coffee Morning & Cake Sale, which was a delightful success, bringing together students, staff, and parents for a good cause, and raising over £200. We were honoured to host visiting speakers from YMCA Derby, who expressed their gratitude for our continued support. This visit highlighted the strong partnership between our school and the YMCA. Our Harvest Service was a significant event, held in both the Prep School and College. Over 2000 items were donated to YMCA Derby, Burton Hope, and the Foodbank at Renew Church in Uttoxeter, showcasing our community's generosity. The chapel was filled for the Remembrance Service, where we welcomed the Chair of the Derbyshire RBL and members of the Denstone RBL as guests of honour. In November, Cameron Watson shared news of his efforts to install a memorial plaque to fallen ODs at the chapel in Ypres. The Prep also raised over £150 for Children in Need. During Lent Term, students shared their charitable efforts in Tuesday chapel sessions. These included support for Nottingham Hospitals Charity, the Jacob Wells Project, the British Horse Society, the Alzheimer's Society, and initiatives to raise awareness that poverty is not a choice. In the Prep, each house chose their own

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charity to support: Cedars supported Scropton Riding Centre and raised £495, Oaks supported the Wildlife Trust and raised £371 and Beeches supported Rainbows Hospice and raised £415. In terms of our religious charitable function, we believe that Nathaniel Woodard would be pleased to see so many engaging with what the chapel offers: a foundation of faith for life, a moral compass for their choices, and a place they can call home.

Fundraising Performance

Progress has been made this year in fundraising and the ongoing work of raising voluntary funding for the school. Grants and donations totalled £246k (2023: £340k), including restricted income donations of £34k (2023: £59k). We launched our "Imagine Tomorrow" campaign during the summer and in spring, our "Club 30" regular giving programme. "Imagine Tomorrow" is our philanthropic initiative designed to generate donations for four key funds: Bursaries, Organ Appeal, Denstone Green Initiative, and Area of Greatest Need. "Club 30" appeals to those wishing to make a regular donation as part of our direct debit campaign. We were especially pleased to open our Patrons' Garden towards the end of summer, honouring our most generous benefactors. For this year, the performance of current fundraising, on costs of £137k, was a ratio of 65% against the £212k unrestricted voluntary income raised.

Investment Policy and Objectives

The company's memorandum and articles of association permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. For the Advanced Fees Scheme, the aim is to match the return on investments with the maturation profile of the related liability to provide schooling in future years.

Investment activities are managed in line with the requirements of the Trustee Act 2000.

Key Performance Indicators

The Key Performance Indicators (KPIs) used by the school are:

KPI	Target	Actual
Surplus	£0.5m £1.0m before depreciation	£45k investment gains + £511k operating surplus =£556k surplus after depreciation
Pupil Numbers	796	779
Total salaries to net fees	70% of net fees	69% of net fees

Funds held as custodian trustee on behalf of others

Denstone College does not hold funds or act as custodian trustee on behalf of others.

FINANCIAL REVIEW

Results for the Year

The total incoming resources for the year amounted to £15,246k of which the operating surplus on school activities was £556k. This was above our target. This surplus has been achieved against a background of strongly rising operating costs (particularly utilities), so that in the circumstances we consider it a highly satisfactory achievement. Gross income for the year was up by some 8.5% on last year.

Our trading company continues to hire out Denstone College facilities during vacations and school hours, as well as undertaking commercial activity on behalf of the School and externally. The company

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contributed £68k to the school's operating surplus.

The parents of our pupils often make significant sacrifices to pay the fees. In doing so they help to relieve the State of the financial burden of educating 742 UK-based children. The saving is estimated to have a value in the last year of £5,706k. The School is also unable to recover the VAT on purchases it makes. During the past year, Denstone College has paid an estimated £0.4m in irrecoverable VAT on goods and services.

Denstone College provides a pension to some staff under the terms of the Pensions Trust Growth Plan. As a result of this pension scheme being under funded, Denstone College is committed to contributing to a recovery plan. During the course of the year Denstone College made contributions to the recovery plan of £10.5k and the recognised liability under the plan reduced by £23k, with this value being recognised in the Statement of Financial Activities. Further details can be found in note 26.

Reserves Level and Policy, and Financial Viability

Denstone College's policy is to retain sufficient unrestricted income reserves to enable the Company to continue to meet its short-term financial obligations in the event of an unexpected revenue shortfall.

The balance sheet contains a number of non-cash and longer-term liabilities, including those related to pensions. These items are excluded from consideration of the available reserves. Unrestricted funds increased by £476,962 to total £8,068,802, as shown in note 25. Denstone College plans to fund longer term capital expenditure and meet long term liabilities through careful management of resources and investments and through building reserves through operations and trading. The company's unrestricted reserves are primarily invested in tangible fixed assets which are all used for its direct charitable activities when the cash position permits.

In common with most independent schools, and due to the having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our School. The School's total reserves of £8.6m at the year-end included £0.3m of endowed funds, £0.3m of restricted funds and £8.1m unrestricted designated funds. Denstone College also reserves for £24k of pension-funding deficit. Fixed assets held for charity use totalled £12.1m, leaving a deficit on free reserves of -£4.7m (2023: -£4.3m) at the year-end. The School's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The School does not have, and cannot rely on, permanent endowments. There was a closing cash and bank balance of £4.7m. The School does operate a Fees In Advance scheme and held £3.8m of funds at year-end. Creditors due within one year at year-end totalled £5.4m, with the largest elements, £2.2m, representing fees received in advance of the Michaelmas 2024 Term and the Fees In Advance Scheme £2.0m.

PRINCIPAL RISKS AND UNCERTAINTIES

The governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the School. The School continues with a healthy pupil roll, but there is no room for complacency. The independent sector as a whole is currently subject to increased political risk following confirmation by the Government that they will remove tax concessions for charitable independent schools, adding VAT and removing business rates relief. There is a significant risk to the independent sector as adding VAT to school fees from 1st January 2025 may make the fees unaffordable for a proportion of parents, potentially affecting school income. The increases in Employer National Insurance present a further cost challenge to the sector.

Health and Safety is always a significant area for risk management. The risks range from fire and damage to infrastructure, to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The governing body is responsible for the identification and management of risks. The major risks to which the charity is exposed, as identified by the Governors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the Executive Officers and the process is overseen by the Compliance Committee. A formal review of the risk management processes is undertaken annually.

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The principal risks to which the School is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the Governors consider possible catastrophic events and ensure that the School has a plan in place to allow education to continue in a range of different scenarios
- the market in which the School operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our school
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the School meets expectations
- the School operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools Council also ensure that we have access to up-to-date information and support
- the School operates in an increasingly litigious environment, and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic conditions, particularly in relation to the impact of inflation, and Directors and senior managers in the School keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues

The key controls used by the School include:

- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

Financial risk management objectives and policies

The School uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the School's operations.

The main issues arising from the School's financial instruments are liquidity risk and interest rate risk. The School's directors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the School seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities with our bank.
- Interest rate risk – the School finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities.

GOING CONCERN

It has been a turbulent few years for independent schools, and businesses in general, following the COVID-19 pandemic, the war in Ukraine and then associated high inflationary cost pressures on purchased goods and services and utilities. Elections resulting in changes in world leaders have also contributed to the unsettled state of the world economy. In terms of current issues, the Government budget announcements on October 30th 2024 confirmed two known items:

- that of VAT at 20% is to be added to school fees from 1st January 2025, replacing the exempt status previously allocated to education;
- the removal of Business Rate Relief from April 2025, meaning payment of 100% rather than 20%.

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Further to that, a significant increase in Employers' National Insurance was also announced. This element was unexpected and unbudgeted. A target savings plan was created and then approved by Governors in November 2024, aimed at delivering the same level of surplus for academic year 2024/25. The 2024/25 plans show delivery of a modest surplus.

Having considered all factors and after reviewing the available evidence, including the level of cash, the directors have a reasonable expectation that the School will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 24.

FUTURE PLANS

The key objectives of the current plan are:

- To maintain steady growth of pupil numbers for consistent increases within our determined capacity.
- To focus efforts on non-fee-based revenue through private lettings (managed by Denstone College Enterprises Ltd) and through fundraising efforts of Denstone Foundation.
- To continue our partnership work with local organisations – particularly educational links.
- To continue to grow the strength and size of The Prep at Denstone College (aged 4-11).
- To widen access to the School still further through the provision of means-tested bursaries.

DIRECTORS

The Directors who served during the year, and the committees of which they are members, are:

Prof N T Ratcliffe (Chair)	Education, Finance and General Purpose, Remuneration. Also invited to attend other committees in capacity as Chair.
Mr A D Coley (Deputy Chair)	Development, Finance & General Purpose, Remuneration
Mr D T Brown	Finance & General Purpose
Mr M F Coffin	Development, Finance & General Purpose
Mr D A Cooper	Compliance, Education, Finance & General Purpose
Mr B W Hinton (resigned 14 March 2024)	Education, IT
Capt. M Huddy	Compliance, Education, Finance & General Purpose, IT, Safeguarding
Mr H R Jones (appointed 19 June 2024)	Education, Safeguarding
Mr C J Lewis	Credit, Development, Finance & General Purpose
Mrs J J Marshall	Education
Mr G T McAloon (appointed 14 March 2024)	Compliance, Education, People
Mrs B A McNally-Young	IT, People, Remuneration
Mr J C Sampson	Development
Mr Q Siddiqi	Compliance, Safeguarding

None of the directors has any beneficial interest in the company. Denstone College buys trustees and officers insurance on behalf of the Directors.

Exemptions from disclosure

Denstone College has not taken advantage of any exemption from disclosure in relation to trustee details.

AUDITORS

Following a competitive tender process, Moore Kingston Smith LLP were appointed as the company's external auditors at the Annual General Meeting held on 23rd May 2024, for the year to 31 August 2024 onwards. As a consequence, RSM UK Audit LLP did not offer themselves for reappointment under section 487 (2) of the Companies Act 2006. The Board would like to express its appreciation to RSM for their services over the past seven years.

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2024

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report, the Strategic Report included within the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period.

In preparing each of the group and company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting 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 group and the company will continue in business.

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

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Approved by the Board of Directors of Denstone College on 17/01/25, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:


Malcolm Coffin (Jan 21, 2025 11:31 GMT)

Mr M F Coffin
Chair of Finance & General Purpose Committee

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2024

Opinion

We have audited the financial statements of Denstone College Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2024 which comprise the Consolidated Statements of Financial Activities (including an Income and Expenditure Account), Company Statements of Financial Activities (including an Income and Expenditure Account), the Consolidated and Company 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent 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 have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2024

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 the audit:

- the information given in the Directors' 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 Directors' Report and the Strategic Report, included within the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities set out on page 15, 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 directors 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 directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

- As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2024

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.
- There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error,

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED *YEAR ENDED 31ST AUGUST 2024*

as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Robert Kersse (Senior Statutory Auditor)
For and on behalf of Moore Kingston Smith LLP, Statutory Auditor
Chartered Accountants
9 Appold Street
London
EC2A 2AP
17/01/25

DENSTONE COLLEGE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2024 £	Total 2023 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	13,420,060	-	-	13,420,060	12,446,930
Ancillary trading income	3	1,052,123	-	-	1,052,123	1,007,869
Other trading activities						
Non-ancillary trading income	4	486,828	-	-	486,828	214,686
Investments						
Investment income	5	-	3,674	11,050	14,724	14,391
Bank and other interest	6	26,378	-	-	26,378	6,879
Other – Grants and donations						
Grants and donations	7	211,656	34,494	-	246,150	340,260
Other incoming resources						
TOTAL INCOMING RESOURCES	25	15,197,045	38,168	11,050	15,246,263	14,030,269
Expenditure on:						
Raising funds						
Non-ancillary trading	8	325,768	-	-	325,768	285,739
Other income generating activities						
Financing costs	9	152,563	-	-	152,563	148,366
Investment management		-	501	2283	2,784	2,720
Fundraising and development		24,043	-	-	24,043	35,944
TOTAL DEDUCTIBLE COSTS		502,374	501	2283	505,158	472,769
Charitable Activities						
Education and grant making	8	14,217,709	-	10,747	14,228,456	13,167,320
TOTAL EXPENDITURE		14,720,083	501	13,030	14,733,614	13,640,409
Net gains/(losses) on investment assets	14	-	10,137	33,568	43,705	(3,637)
Net income/(expenditure)		476,962	47,804	31,588	556,354	386,543
Transfers between funds		-	-	-	-	-
Other recognised gains/(losses)		-	-	-	-	-
Pension scheme actuarial (losses)/gains		-	-	-	-	-
Net Movement in funds for the year		476,962	47,804	31,588	556,354	386,543
Fund balances at 1st September		7,591,840	214,857	285,790	8,092,487	7,705,944
FUND BALANCES AS AT 31ST AUGUST		8,068,802	262,661	317,378	8,648,841	8,092,487

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 24 to 52 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2024 £	Total 2023 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	13,420,060	-	-	13,420,060	12,446,930
Ancillary trading income	3	927,755	-	-	927,755	862,818
Other trading activities						
Non-ancillary trading income	4	207,094	-	-	207,094	69,308
Investments						
Investment income	5	-	3,674	11,050	14,724	14,391
Bank and other interest	6	25,457	-	-	25,457	6,860
Other – Grants and donations						
Grants and donations	7	211,656	34,494	-	246,150	340,368
Other incoming resources						
TOTAL INCOMING RESOURCES	25	14,792,022	38,168	11,050	14,841,240	13,740,675
Expenditure on:						
Raising funds						
Non-ancillary trading	8					
Other income generating activities						
Financing costs	9	135,771	-	-	135,771	146,943
Investment management	8	-	501	2,283	2,784	2,720
Fundraising and development		24,043	-	-	24,043	35,944
TOTAL DEDUCTIBLE COSTS		159,814	501	2,283	162,598	185,607
Charitable Activities						
Education and grant making	8	14,155,246	-	10,747	14,165,993	13,164,888
TOTAL EXPENDITURE		14,315,060	501	13,030	14,328,591	13,350,495
Net gains/(losses) on investment assets	14	-	10,137	33,568	43,705	(3,637)
Net income/(expenditure)		476,962	47,804	31,588	556,354	386,543
Transfers between funds		-	-	-	-	-
Other recognised gains/(losses)		-	-	-	-	-
Pension scheme actuarial (losses)/gains		-	-	-	-	-
Net Movement in funds for the year		476,962	47,804	31,588	556,354	386,543
Fund balances at 1st September		7,590,564	214,857	285,790	8,091,211	7,703,964
FUND BALANCES AS AT 31ST AUGUST		8,067,526	262,661	317,378	8,647,565	8,090,507

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 24 to 52 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2024

	Note	Group 2024 £	2023 £	Charity 2024 £	2023 £
FIXED ASSETS					
Tangible assets	13	12,130,720	12,298,363	12,112,285	12,284,258
Investments	14	467,134	425,971	467,134	425,971
		12,597,854	12,724,334	12,579,419	12,710,229
CURRENT ASSETS					
Stock		7,465	48,808	-	-
Debtors	15	421,792	257,238	514,238	365,925
Cash at bank and in hand		4,745,331	1,035,527	4,655,781	963,054
		5,129,588	1,341,573	5,170,019	1,328,979
CURRENT LIABILITIES					
Creditors payable within one year	16	(5,310,583)	(3,612,701)	(5,288,855)	(3,587,979)
NET CURRENT ASSETS/(LIABILITIES)		(135,995)	(2,271,128)	(118,836)	(2,259,000)
TOTAL ASSETS LESS CURRENT LIABILITIES		12,461,859	10,453,206	12,460,583	10,451,229
LONG TERM LIABILITIES					
Creditors payable after one year	17	(3,788,653)	(2,313,542)	(3,788,653)	(2,313,542)
Provisions for liabilities	26	(24,265)	(47,080)	(24,265)	(47,080)
NET ASSETS		8,648,941	8,092,587	8,647,665	8,090,607
REPRESENTED BY: CALLED UP SHARE CAPITAL	22	100	100	100	100
ENDOWED FUNDS	25	317,378	285,790	317,378	285,790
RESTRICTED FUNDS	25	262,661	214,857	262,661	214,857
UNRESTRICTED FUNDS					
General reserve	25	8,068,802	7,591,840	8,068,526	7,589,860
Pension reserve	26				
		8,648,941	8,092,587	8,648,665	8,090,607

The financial statements were approved and authorised for issue by the Board on 17/01/25 and signed on its behalf by

Malcolm Coffin
Malcolm Coffin (Jan 21, 2025 11:31 GMT)

Mr M F Coffin
Chair of Finance & General Purpose Committee

Company registration number 1102588.

The notes on pages 24 to 52 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST AUGUST 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	27	2,674,323	920,330
Cash flows from investing activities:			
Dividends, interest and rents from investments		14,724	21,270
Proceeds from the sale of property, plant and equipment		-	3,000
Purchase of property, plant and equipment		(305,973)	(1,346,466)
Proceeds from sale of investments		-	-
Purchase of investments		-	-
Net cash provided by (used in) investing activities		(291,249)	(1,322,196)
Cash flows from financing activities:			
Repayments of borrowing		(97,437)	(96,912)
Cash inflows from new borrowing		-	39,744
Financing costs		(152,563)	(148,366)
Fees in advance – new contracts		1,776,262	-
Fees in advance – repayment of deposits		-	-
Fees in advance – payment of fees		(199,534)	-
Receipt of endowment		-	-
Net cash provided by (used in) financing activities		1,326,729	(205,534)
Change in cash and cash equivalents in the year		3,709,802	(607,400)
Cash and cash equivalents at the beginning of the year		1,035,529	1,642,929
Cash and cash equivalents at the end of the year	28	4,745,331	1,035,529

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) Basis of Accounting

The accounts of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

Denstone College meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 36, and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£).

b) Going Concern

The accounts have been prepared on a going concern basis. The Denstone College Board reviews the financial information for the company and the group and considers whether the group is a going concern for a period of at least 12 months from the date of approval of the accounts.

It has been a turbulent few years for independent schools, and businesses in general, following the COVID-19 pandemic, the war in Ukraine and then associated high inflationary cost pressures on purchased goods and services and utilities. Elections resulting in changes in world leaders have also contributed to the unsettled state of the world economy. In terms of current issues, the Government budget announcements on October 30th 2024 confirmed two known items:

- that of VAT at 20% is to be added to school fees from 1st January 2025, replacing the exempt status previously allocated to education;
- the removal of Business Rate Relief from April 2025, meaning payment of 100% rather than 20%.

Further to that, a significant increase in Employers' National Insurance was also announced. This element was unexpected and unbudgeted. A target savings plan was created and then approved by Governors in November 2024, aimed at delivering the same level of surplus for academic year 2024/25. The 2024/25 plans show delivery of a modest surplus.

Having considered all factors and reviewing the available evidence, the Directors have a reasonable expectation that the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis.

c) Group Accounts

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Entities are consolidated where Denstone College exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

d) School Fees Receivable and Similar Income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

e) Ancillary and Non-Ancillary Trading Income

Ancillary trading income represents amounts from activities to generate funds within the charitable objects, for example school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

f) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. 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 at the value to the school in case of donated services or facilities.

g) Expenditure

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy. The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

h) Finance and Other Costs

Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

i) Pension Costs

The school company participates in the Teachers' Pensions Scheme (TPS), which is an unfunded government scheme, which provides benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes. The company also contributes to other defined contribution pension schemes for teaching and non-teaching staff.

The company offers membership of the Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth Plan is a multi-employer pension scheme where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

which is similar to a defined contribution scheme.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in notes 26 and 36.

The School also offers an alternative to the TPS for teaching colleagues. The provision is from Royal London and is a Contract Based Defined Contribution scheme. This type of scheme involves the build-up of funds/contributions that may be used to provide a combination of cash and income on retirement. Royal London is a mutual insurer which means that it is owned by its policyholders, not shareholders.

j) **Tangible Fixed Assets and Depreciation**

In accordance with Section 35.10 (d) of FRS102, Denstone College has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are usually capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Where tangible fixed assets have been acquired with the aid of specific grants they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Freehold Buildings	- Variable according to the building and written off over the expected useful life (see paragraph below)
Freehold improvements	- Over the useful economic life of the improvement
Plant and equipment	- Plant 10% on cost and 25% on cost
Fixtures, fittings and equipment	- 10% on cost and 25% on cost
Computer equipment	- 25% on cost
Motor vehicles	- 25% on cost

Freehold land is not depreciated.

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. Where the calculated depreciation charge is a material figure, it is charged in these financial statements but, where the carrying value is not more than the estimated recoverable amount and the depreciation on the building is not material to these financial statements, it has been assessed, but not charged on the basis that it is not material. The directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

No depreciation is provided in respect of investment properties in accordance with Section 16 of FRS102. Such properties are held for their investment potential and not for consumption within the business. Investment properties are stated at their fair value at balance sheet date.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

Denstone College exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

k) **Financial Instruments**

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

l) **Investments and Fees in Advance Investments**

Investments and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Realised and unrealised investment gains and losses are recognised as 'net gains/(losses) on investment assets' in the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

m) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

n) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

o) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet date.

p) **Fund Accounts**

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity. Endowment funds are further sub-divided into permanent and expendable, where required by the terms of the trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

q) **Taxation**

Denstone College is a registered charity and as such are exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The School has a subsidiary company that is subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The tax charged to the profit and loss

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *YEAR ENDED 31ST AUGUST 2024*

account is based on the subsidiary company's profit for the year and takes into account tax arising because of timing differences between the treatment of certain items for tax and accounting purposes.

The subsidiary company distributes the majority of its profits to Denstone College under Gift Aid and tax liabilities are kept to a minimum.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2024 £	2023 £
The school fees income comprises		
Gross fees	15,612,815	14,379,472
Less: Total scholarships, bursaries, etc	(2,192,755)	(1,932,542)
Add back: Scholarships, Grants etc paid for by Restricted Funds	-	-
	13,420,060	12,446,930

Scholarships, bursaries and other awards were paid to 309 pupils (2023: 333 pupils). Within this, means-tested bursaries totalling £622,235 were paid to 99 pupils (2023: £552,454 to 49 pupils).

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2024 £	2023 £
Extras	422,017	386,660
Entrance fees and registration fees	19,700	21,100
Pupil transport	480,957	417,094
Sundry other income	129,449	183,015
	1,052,123	1,007,869

4. OTHER TRADING ACTIVITIES

	2024 £	2023 £
Non-ancillary trading income		
Denstone College Enterprise company trading turnover	302,187	139,273
Rents receivable	507	1,291
Interest receivable – pupil bills	5,768	2,433
Other non-ancillary trading income	178,366	71,689
	486,828	214,686

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

5. INVESTMENTS - INVESTMENT INCOME

	Unrestricted	Restricted	Endowed	Total 2024	Total 2023
	£	£	£	£	£
Investment income					
Equities	-	1,760	6,441	8,201	4,740
Fixed interest	-	1,609	2,566	4,175	8,085
Other	-	305	2,043	2,348	1,566
Cash	-	-	-	-	-
	-	3,674	11,050	14,724	14,391
Rents receivable	507	-	-	507	1,291
	507	3,675	11,050	15,231	15,682

6. INVESTMENTS - BANK AND OTHER INTEREST RECEIVABLE

	Unrestricted	Restricted	Endowed	Total 2024	Total 2023
	£	£	£	£	£
Bank interest	26,378	-	-	26,378	6,879
Other interest	-	-	-	-	-
	26,378	-	-	26,378	6,879

7. OTHER - GRANTS AND DONATIONS

	Unrestricted	Restricted	Endowed	Total 2024	Total 2023
	£	£	£	£	£
Grants to Denstone College from:					
Old Denstonians	-	-	-	-	35,596
Woodard (S Manor)	-	-	-	-	170,000
JCB	200,000	-	-	200,000	100,000
DC Foundation	11,656	34,494	-	46,150	34,664
	211,656	34,494	-	246,150	340,260

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

8. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Support costs £	Depreciation (Note 13) £	Total 2024 £	Total 2023 £
Costs of raising funds					
Non-ancillary trading	95,778	221,820	8,170	325,768	285,739
Other income	-	-	-	-	-
generating activities					
Financing cost (note 9)	-	152,563	-	152,563	148,366
Investment	-	2,784	-	2,784	2,720
management					
Fundraising and development	-	24,043	-	24,043	35,944
Total cost of generating funds	95,778	401,210	8,170	505,158	472,769
Charitable expenditure					
Teaching	6,644,331	1,012,329	7,811	7,664,471	6,971,655
Welfare	777,019	538,036	-	1,315,055	1,297,767
Premises	1,014,473	1,523,507	457,638	2,995,618	2,787,594
School administration	1,172,768	1,066,417	0	2,239,185	2,094,499
Grants awards and prizes (note 8b)	-	11,074	-	11,074	11,275
Governance	-	3,053	-	3,053	4,531
Education and grant making	9,608,591	4,154,416	465,449	14,228,456	13,167,320
Total Expenditure	9,704,369	4,555,626	473,619	14,733,614	13,640,089

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

8. ANALYSIS OF EXPENDITURE (Continued)

b) Grants, awards and prizes

Denstone College makes awards to individual families to support schooling.

	2024 £	2023 £
From Endowed Funds:		
Other grants and awards	11,074	10,104
From Unrestricted Funds:		
Other grants and awards	-	1,171
	11,074	11,275

c) Total resources expended include:

Denstone College reimburses Governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. One (2023:one) Governor was reimbursed £304 during the year (2023: £384).

	2024 £	2023 £
Remuneration paid to auditor for audit services	22,920	37,780
Additional remuneration paid to auditor for prior year	14,400	-
Remuneration paid to auditor for non-audit services	-	1,140
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	473,619	403,145
- held under finance leases and hire purchase contracts	-	-
(Profit)/loss on disposal of fixed assets	-	(750)
Operating lease rentals:		
- land and buildings	-	-
- other assets	155,241	132,897
Reimbursement of personal expenses to governors	304	384

9. FINANCING COSTS

	2024 £	2023 £
Bank interest payable	85,940	81,333
Fees In Advance debt financing costs	2,017	11,012
Pension Scheme financing cost	1,662	2,504
Bank charges	15,575	12,990
Provision for bad and doubtful debts	47,369	40,527
	152,563	148,366

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

10. STAFF COSTS

	2024 £	2023 £
The aggregate payroll costs for the year were:		
Wages and salaries	7,848,749	7,271,226
Social security costs	800,112	686,817
Other pension costs	1,050,334	953,405
Private medical insurance	5,174	4,529
	9,704,369	8,915,977

Included in staff costs are redundancy or termination payments totalling £30k (2023: £22k). The amount outstanding at the year-end was £0 (2023: £0).

None of the governors received remuneration or other benefits from Denstone College or from any connected body.

The Head and Bursar/CFO are classed by the school as being the Key Management Personnel.

	2024 £	2023 £
Aggregate employee benefits of key management personnel	246,689	235,879

The number of higher paid employees whose annual emoluments were £60,000 or more was:

	2024 No	2023 No
£60,001 - £70,000	11	8
£70,001 - £80,000	4	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

10. STAFF COSTS (Continued)

The average number of employees during the year calculated on a head count basis, was 254
(2023: 245)

	2024 No	2023 No
Teaching	105	99
Welfare	32	30
Premises	39	36
Support	71	75
Other activities	7	5
	254	245

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £0 were awarded to children of directors attending the school (2023: £0).

During the year, 1 (2023 :1) director received reimbursement of travel expenses totalling £304 (2023: £384).

12. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

13. TANGIBLE FIXED ASSETS

Group and company	Freehold Land & Buildings £	Under Construction £	Fixtures, Fittings & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 st September 2023	13,622,311	325,233	1,482,126	704,222	52,213	16,186,105
Prior year gifted items	-	-	21,600	-	18,000	39,600
Additions	26,921	-	266,552	-	12,500	305,973
Disposals	-	-	-	-	-	-
Transfers	71,532	(325,233)	253,701	-	-	-
At 31st August 2024	13,720,764	-	2,023,979	704,222	82,713	16,531,678
Depreciation						
At 1 st September 2023	2,334,687	-	841,256	681,038	30,758	3,887,739
Prior year gifted items	-	-	21,600	-	18,000	39,600
Charge for the year	316,194	-	138,129	8,211	11,085	473,619
At 31st August 2024	2,650,881	-	1,000,985	689,249	59,843	4,400,958
Net book value at 31st August 2024	11,069,883	-	1,022,994	14,973	22,870	12,130,720
Net book value at 31 st August 2023	11,287,624	325,233	640,870	23,184	21,455	12,298,366

All assets are used for charitable purposes.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

14. INVESTMENTS

	Investments 2024 £	2023 £
Group investments		
At 1 September	425,971	435,178
New money invested	-	14,391
Reinvested income	-	(17,243)
Amounts extracted	-	(2,718)
Investment management fees	(2,699)	(492)
Realised gains/(losses) on investments	6,200	(3,145)
Unrealised gains/(losses) on investments	37,505	-
Movement in uninvested cash	157	-
Group investments at 31 August	467,134	425,971
Investment in subsidiaries	100	100
Company investments at 31 August	467,234	426,071
Investments comprise:		
Listed investments		
Fixed interest	99,965	94,407
Equities	327,208	295,213
Multi-asset funds	-	-
Unlisted investments		
Land and buildings	-	-
Other	33,670	34,971
Cash	6,291	1,380
Group investments at 31 August	467,134	425,971
Investment in subsidiaries	100	100
Company investments at 31 August	467,234	426,071

Denstone College owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England/Wales. Further details are provided in note 30.

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

The main Investments are managed for Denstone College by Cazenove. All investments are managed and held in the UK.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

15. DEBTORS

	Group 2024 £	2023 £	Company 2024 £	2023 £
School fees receivable	53,033	57,161	53,033	57,161
Trade debtors	60,240	5,698	37,448	(272)
Other debtors	35,315	24,676	33,168	19,114
Tax Recoverable	45,000	-	-	-
Prepayments and accrued income	228,204	169,703	222,812	166,114
Amounts due from subsidiary company	-	-	167,777	123,808
	421,792	257,238	514,238	365,925

School fees receivable are net of £23,043 (2023: £48,527) provided for doubtful debts.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

16. CREDITORS: amounts falling due within one year

	Group 2024 £	2023 £	Company 2024 £	2023 £
Bank loans and overdrafts (note 18)	117,174	103,781	117,174	103,781
Other loans		-		-
Deposits from parents	47,000	44,667	47,000	44,667
Fees received from parents in advance of term	2,197,641	2,128,108	2,197,641	2,128,108
Trade creditors	118,996	364,348	113,065	349,582
Taxation and social security	298,827	188,036	288,930	182,694
Other creditors	267,107	293,626	265,357	290,662
Fees in Advance Scheme (note 19)	1,988,077	236,100	1,988,077	236,100
Accruals	275,761	254,035	271,611	252,385
	<u>5,310,583</u>	<u>3,612,701</u>	<u>5,288,855</u>	<u>3,587,979</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

17. CREDITORS: amounts falling due after one year

	Group 2024 £	2023 £	Company 2024 £	2023 £
Bank loans and overdrafts (note 18)	1,607,571	1,718,401	1,607,571	1,718,401
Deposits from parents	311,252	302,038	311,252	302,038
Fees in Advance Scheme (note 19)	1,869,830	293,103	1,869,830	293,103
	3,788,653	2,313,542	3,788,653	2,313,542

Parents pay to the school a deposit of £600 (different values in earlier years) in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils all remain in the school (which the vast majority do based on historical information), we record the deposits for students as due after one year, with the exception of students in the Upper Sixth form.

18. BANK LOAN

	2024 £	2023 £
The bank loan is repayable in instalments		
Due after 5 years	1,108,779	1,272,491
Due within 2 to 5 years	378,776	338,884
Due within 1 to 2 years	120,016	107,026
Due after more than one year	1,607,571	1,718,401
Due within 1 year	117,174	103,781
	1,724,745	1,822,182

Denstone College has a bank loan from Lloyds Bank Plc. The loan is secured by charges on the school's assets. A commercial loan was utilised to fund the first stage of the Prep school on an interest-only basis until March 2022. This loan was converted to include capital repayment from March 2022 and is repayable over 15 years.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

19. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2024 £	2023 £
After 5 years		-
Within 2 to 5 years	402,121	130,023
Within 1 to 2 years	1,467,709	163,080
Due after more than one year	1,869,830	293,103
Within 1 year	1,988,078	236,100
	3,857,908	529,203

Summary of movements in liability

	£
Balance at 1 September 2023	529,203
New contracts	3,528,239
Repayments	-
Amounts used to pay fees	(199,534)
Balance at 31 August 2024	3,857,908

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

20. FINANCIAL INSTRUMENTS

	2024 £	2023 £
FINANCIAL ASSETS:		
Debt instruments at amortised cost		
Trade debtors	60,240	5,698
Other debtors	439,328	251,540
Accrued income	-	-
	499,568	257,238
Equity instruments at cost less impairment/ FV through P&L		
Trade investments	467,134	425,971
	467,134	425,971
FINANCIAL LIABILITIES:		
Financial liabilities at amortised cost		
Trade creditors	118,996	364,348
Group creditors	-	-
Other creditors	6,989,510	3,478,978
Accruals	275,761	248,035
Borrowings - bank and debenture loans	1,724,745	1,822,182
	9,109,012	5,913,543

21. COMMITMENTS UNDER OPERATING LEASES

	2024 £	Other 2023 £
Within 1 year	141,365	166,396
Within 1 to 5 years	86,967	73,133
After 5 years	-	-
	228,332	239,529

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

22. SHARE CAPITAL

	2024 £	2023 £
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

23. FUNDS

Denstone College's funds are analysed under the following headings:

a) ENDOWED FUNDS

Special Endowment

The Special Endowment funds of the company include a number of individual trust and prize funds set up by donors as permanent capital. The income generated is restricted to funding scholarships, bursaries, grants and prizes.

b) RESTRICTED FUNDS

The benefit fund is held in trust by the Woodard Corporation to assist former pupils by contributing towards the School fees of their children or dependents or in such a manner (being exclusively charitable) as the Trustees consider for their benefit. The fund has been built up by voluntary contributions. The College Council has power to determine on behalf of the Trustees which pupils shall receive benefit and the nature and extent of such benefit. The purpose is to provide financial support to pupils whose family circumstances would otherwise prevent them from attending the College.

c) UNRESTRICTED FUNDS

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted £	Restricted £	Endowed £	Total 2024 £	Total 2023 £
Tangible fixed assets	12,130,720	-	-	12,130,720	12,298,366
Investments	-	122,756	344,378	467,134	425,971
Net current (liabilities)/assets	(249,000)	139,905	(27,000)	(136,095)	(2,271,128)
Long term liabilities	(3,812,918)	-	-	(3,812,918)	(2,360,622)
	<u>8,068,802</u>	<u>262,661</u>	<u>317,378</u>	<u>8,648,841</u>	<u>8,092,587</u>
Charity	Unrestricted £	Restricted £	Endowed £	Total 2024 £	Total 2023 £
Tangible fixed assets	12,112,285	-	-	12,112,285	12,284,258
Investments	100	122,756	344,378	467,234	425,971
Net current (liabilities)/assets	(231,841)	139,905	(27,000)	(118,936)	(2,259,000)
Long term liabilities	(3,812,918)	-	-	(3,812,918)	(2,360,622)
	<u>8,067,626</u>	<u>262,661</u>	<u>317,378</u>	<u>8,647,665</u>	<u>8,090,607</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

25. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 Sept 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	At 31 August 2024 £
Endowed Expendable						
Bursary Fund						
School	227,624	11,050	(13,030)	-	-	225,644
Revaluation Reserve	58,166	-	-	-	33,568	91,734
	<u>285,790</u>	<u>11,050</u>	<u>(13,030)</u>	<u>-</u>	<u>33,568</u>	<u>317,378</u>
Total Endowment	<u>285,790</u>	<u>11,050</u>	<u>(13,030)</u>	<u>-</u>	<u>33,568</u>	<u>317,378</u>
Restricted Funds						
Scholarships, bursary & prizes	177,745	38,168	(501)	-	-	215,412
Revaluation Reserve	37,112	-	-	-	10,137	47,249
	<u>214,857</u>	<u>38,168</u>	<u>(501)</u>	<u>-</u>	<u>10,137</u>	<u>262,661</u>
Unrestricted Funds						
General Reserve	7,591,840	15,197,045	(14,720,083)	-	-	8,068,802
	<u>7,591,840</u>	<u>15,197,045</u>	<u>(14,720,083)</u>	<u>-</u>	<u>-</u>	<u>8,068,802</u>
Total Funds	<u>8,092,487</u>	<u>15,246,263</u>	<u>(14,733,614)</u>	<u>-</u>	<u>43,705</u>	<u>8,648,841</u>

Note 24 provides details of the individual funds.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

26. PENSION SCHEMES

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £880k (2023: £854k) and at the year-end £0 (2023 - £0) 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%.

Pensions Trust Growth Plan

The school participates in the TPT Retirement Solutions - The Growth Plan, which is a multi-employer scheme providing benefits to over 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the school to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for it as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the school is potentially liable for other participating employers' obligations if those employers are unable to meet their share of scheme deficits following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficits on an annuity purchase basis on withdrawal from the scheme.

Summary of provision for pension deficit recovery plan

	Company	
	2024	2023
	£'000	£'000
TPT Retirement Solutions - The Growth Plan	24	47

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

TPT Retirement Solutions - The Growth Plan Deficit Contributions

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2022 to 31 January 2025:	£3.312 m per annum

Unless a concession has been agreed with the Trustee the term to 31st January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows.

From 1 April 2019 to 30 September 2025:	£11.243 m per annum (payable monthly and increasing by 3% each on 1 st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

26. PENSION SCHEMES (Continued)

Present Values of Provision	2024 £000	2023 £000
Present value of provision	4	14
Reconciliation of opening and closing provisions	2024 £000	2023 £000
Provision at 1 September	14	57
Unwinding of the discount factor	1	1
Deficit contribution paid	(11)	(11)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Provision at 31 August	4	47

Income and expenditure impact	2024 £000	2023 £000
Interest expense	1	1
Unwinding of the discount factor	-	-
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Contributions paid in respect of future service *	-	-
Costs recognised in income and expenditure account	-	12

Assumptions	2024 % per annum	2023 % per annum
Rate of discount	5.13	6.04

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Deficit Contributions Schedule

The following schedule shows the deficit contributions agreed between the company and the scheme at each year end period:

	2024 £000	2023 £000
Year 1	4	24
Year 2	-	23

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

26. PENSION SCHEMES (Continued)

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

Royal London – Defined Contribution Pension Scheme

On 1st January 2022 the Royal London pension scheme was opened to newly recruited teachers in place of the Teachers' Pension Scheme and has also been made available to our existing teachers as an alternative option to the Teachers' Pension Scheme. The group made total employer contributions to this defined contribution scheme of £351,546 (2023 £239,712). As this scheme is solely a defined contribution scheme there are no scheme liabilities to report.

27. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2024 £	2023 £
Net income for the period (as per the Statement of Financial Activities)	556,354	386,543
Adjustments for		
Depreciation charges	473,619	403,145
(Gains)/losses on investments	(43,881)	6,489
Dividends, interest, and rents from investments	(14,724)	(14,391)
Financing costs	152,563	148,366
Investment Management Fee	2,699	2,720
Loss/(profit) on the sale of fixed assets	-	(750)
(Increase)/decrease in stocks	41,343	36,439
(Increase)/decrease in debtors	(164,555)	251,823
Increase/(decrease) in creditors	1,670,904	(300,054)
Net cash provided by (used in) operating activities	2,674,322	920,330

28. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash in hand and at bank	4,745,331	1,035,528
Overdraft facilities repayable on demand	-	-
Total cash and cash equivalents	4,745,331	1,035,528

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

29. ANALYSIS OF CHANGES IN NET DEBT

	At 1 st Sept 2023	Cash flows	Other non- cash changes	At 31 st Aug 2024
	£	£	£	£
Cash and cash equivalents				
Cash	1,035,528	3,709,803	-	4,745,331
Overdraft facility repayable on demand				
	<u>1,035,528</u>	<u>3,709,803</u>	<u>-</u>	<u>4,745,331</u>
Borrowings				
Loans falling due within one year	(103,781)	(13,393)	-	(117,174)
Loans falling due after more than one year	(1,718,401)	110,830	-	(1,607,571)
Finance lease obligations	-	-	-	-
	<u>(1,822,182)</u>	<u>97,437</u>	<u>-</u>	<u>(1,724,745)</u>
Total	<u><u>(786,654)</u></u>	<u><u>3,807,240</u></u>	<u><u>-</u></u>	<u><u>3,020,586</u></u>

30. SUBSIDIARIES

The Company owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England and Wales (Company number: 05181951). This company carries out trading activity on behalf of the School including commercial letting and sales from the School's tuck shop.

Denstone College Enterprises Limited had a turnover of £427,062 (2023: £290,503), gross profit of £39,717 (2023: £9,457), and a profit before tax and gift aid of £22,960 in the year ended 31 August 2024 (2023: profit of £106). At 31 August 2024 the company had shareholder's funds of £100 (2023: £100).

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

31. Consolidated Statement of Financial Activities – Comparative figures by fund type

Year Ended 31 August 2023	Unrestricted	Restricted	Endowed	Total
	£	£	£	£
Income and endowments from Charitable activities				
School fees receivable	12,446,930	-	-	12,446,930
Ancillary trading income	1,007,869	-	-	1,007,869
Other trading activities				
Non-ancillary trading income	214,686	-	-	214,686
Investments				
Investment income	-	4,056	10,335	14,391
Bank and other interest	6,879	-	-	6,879
Voluntary sources				
Grants and donations	281,173	59,087	-	340,260
Other incoming resources	(746)	-	-	(746)
Total Incoming Resources	13,956,791	63,143	10,335	14,030,269
Expenditure on:				
Raising funds				
Non ancillary trading	285,739	-	-	285,739
Other income generating activities	-	-	-	-
Financing costs	148,366	-	-	148,366
Investment management	-	717	2,003	2,720
Fundraising and development	35,944	-	-	35,944
Total Deductible Costs	470,049	717	2,003	472,769
Charitable activities				
Education and grant making	13,164,147	-	3,173	13,167,320
Total resources expended	13,634,193	717	5,176	13,640,409
Net gains/(losses) on investment assets	-	(1,272)	(2,365)	(3,637)
Net income/(expenditure)	322,595	61,154	2,794	386,543
Transfers between funds	59,087	(59,087)	-	-
Other recognised gains/(losses)				
Pension scheme actuarial gains/(losses)	-	-	-	-
Net movement in funds for the year	381,682	2,067	2,794	386,543
Fund balances at 1 st September	7,210,158	212,790	282,996	7,705,944
Fund Balances at 31st August	7,591,840	214,857	285,790	8,092,487

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

32. CONTINGENT LIABILITIES

The Company has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2023. As of this date the estimated employer debt for the Company was £108,316, including Series 3 liabilities.

33. ULTIMATE CONTROLLING PARTY

The Woodard Corporation Limited is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of Denstone College Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

34. RELATED PARTIES

As stated in note 33, Denstone College Limited is a wholly owned subsidiary of The Woodard Corporation. An amount of £84k was paid during the year to Woodard Corporation by way of a levy to meet running costs. Denstone College received a £15k donation from a trustee during the year.

The company also controls a subsidiary trading company, Denstone College Enterprises Limited.

35. POST BALANCE SHEET EVENTS

At the date of signing these financial statements, no events had occurred subsequent to the year end which require disclosure in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2024

36. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

Pension scheme deficit reduction payments

As explained at note 26, there is a deficit reduction plan in place in respect of Denstone College's membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Pension scheme contingent liability

As explained at note 26, there is a contingent liability in the event that Denstone College were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Provision for bad debts

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

Depreciation, impairment and residual values of fixed assets

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates for depreciation, and for matters of impairment.

VAT liabilities for historic registration

An estimate has been made of the VAT amounts due to the group as part of the historic registration process and included in these financial statements.

DENSTONE COLLEGE LIMITED

England & Wales - Charity number 1102588

Accounts

Charity Registration No. 1102588

Company Registration No. 05010957 (England and Wales)

DENSTONE COLLEGE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2023

DENSTONE COLLEGE LIMITED

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COMPANY INFORMATION

DIRECTORS AND ADVISORS

Directors

Prof N T Ratcliffe (Chair)
Mrs E L Bell
Mr D T Brown (appointed 01/12/2022)
Mr M F Coffin
Mr A D Coley
Mr D A Cooper
Mrs J Dickson
Mrs E J Evans (resigned 22/11/2022)
Mr B W Hinton
Capt. M G Huddy
Mr C J Lewis
Mrs B A McNally-Young
Mrs J J Marshall
Mr J C Sampson
Dr Q Siddiqi (appointed 28/03/2023)

Charity No.

1102588

Company No.

05010957

Principal Address and Registered Office

Denstone College Ltd
Uttoxeter, Staffordshire
ST14 5HN

Key Management Personnel

Head

Miss L E Tulloch

Bursar

Mrs M A Walker

Auditor

RSM UK Audit LLP
Ninth Floor, Landmark, St Peter's Square, 1 Oxford
Street, Manchester, M1 4PB

Bankers

Lloyds Bank
1 Pride Hill, Shrewsbury, SY1 1DG

Solicitors

Veale Wasborough
Narrow Quay, Bristol, BS1 4QA
Farrer & Co
66 Lincoln's Inn Fields, London, WC2A 3LH
Martin Kaye
The Foundry, Eiston Way, Telford, TF3 4LY

Investment Advisers

Cazenove Capital
1 London Wall Place, London, EC2Y 5AU

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2023**

The Directors present their report and financial statements for the year ended 31st August 2023 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in 2004 and is registered with the Charity Commission as charity number 1102588. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The Charitable Company is incorporated in the United Kingdom. Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolutions dated 2 July 2015 and 20 March 2013, replacing those dated 9 January 2004 amended by Special Resolution dated 25 January 2006. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the Company.

Governing Body

The Governors are the Directors and charitable Trustees of the Company and comprise the governing body of Denstone College and are elected to hold office for five years. The School is governed by the governing body which operates using a number of committees. Membership of each committee is outlined on page 14. The governing body met 4 times during the year.

Recruitment and Training of Governors

All Governors are Fellows of the Woodard Corporation. Fellows are responsible for electing the Woodard Corporation Board. Governors are recruited on the basis of nominations from School contacts and from selection when a post becomes available. The governing body look to ensure a mix of skills and select new Governors on the basis of background, competence, specialist skills and, in the case of Fellows, Christian commitment. Governors are provided with induction training by the Head, Bursar and staff and a wider programme of training events is organised by the Woodard Corporation.

Where possible the Governors consider that the skills and experience of the governing body should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.

One Governor may have one or more of these skills.

Volunteers

Governors are volunteers providing their time for free to support the governance of the School. The School also relies on a number of others to undertake volunteer roles including the Friends of Denstone and The Prep PTFA who help in fundraising, assist the College in events and provide help where required.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2023**

Organisational Management

The School is governed by the governing body which delegates work to a number of committees. Membership of each committee is outlined on page 14. The Directors determine the general policy of the Company.

Compliance Committee - the Chair of Governors chairs this committee. Risk Management, Health and Safety, GDPR, UKVI, security and inspection are agenda items. It met three times during the year.

Education Committee – the Education Committee is responsible for oversight of the academic performance of the School and educational policy. It met three times during the year.

Finance and General Purpose Committee – this committee has a remit to consider budgets, both revenue and capital, cash-flow information and financial reports, including the financial statements. It also considers financial policies and the financial regulations. Estates, building maintenance and capital development are also reviewed here. This committee makes recommendations to the governing body for approval. The Finance & General Purpose Committee met four times during the year.

Other committees include Development, IT, People and Safeguarding.

The day-to-day management of the Company is delegated to the Head and the Bursar as the Key Management Personnel, overseeing educational, pastoral and administrative functions in consultation with the senior team. The day-to-day administration is undertaken within the policies and procedures approved by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head oversees the recruitment of all educational staff whilst, under delegated authority, the Bursar oversees the recruitment of administrative and non-teaching support staff. The Head, Bursar and Head of HR are invited to attend Governors' meetings.

The remuneration of Key Management Personnel is set by the governing body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School'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 School remains sensitive to the broader issues of pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at the relevant point within a band, providing scope for rewarding excellence. We recognise that delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Group Structure and Relationships

The Company has a wholly owned non-charitable subsidiary, Denstone College Enterprises Limited, the activities and trading of which are described below.

We have a thriving alumni group, the Old Denstonians, who are generous in supporting the work of the School and whose support we greatly appreciate. We also cooperate with many local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2023

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and extend education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and principles of the Church. The Church is defined as being the Church of England and churches in full communion with the See of Canterbury.

Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education; and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They are strong Christian foundations which adhere to catholic belief as found in the Church, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain.

Aims

Denstone College is a boarding and day school for pupils from the ages of 4 to 18. It aims to support children in reaching their potential in all areas of their activity at the School, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life.

Primary objectives

The primary objectives of Denstone College to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgment and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Denstone College education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately, and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

- to resource the College to provide a broad and relevant curriculum that leads to successful participation and academic outcomes.
- to grow boarding for our younger students, from Y3, delivering a wider experience for all of our boarders, with older students as role models.
- the opening of the Prep has facilitated more options for all of our students, with new colleagues bringing new skills and older students volunteering for reading and art assistance, etc.
- 10-12% of fee income is allocated to assist in enabling talented children whose parents could otherwise not afford for them to attend the School.
- Governors are responsible for the overall management and control of the School. They meet at least three times a year and also hold sub-Committee meetings for decision making. The day-to-day management is delegated to the Head and Bursar supported by their management teams, covering a variety of operational and compliance aspects. Additionally, Housemasters

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2023

and Housemistresses are heavily involved in pastoral support. Our tutor system links most academic staff to one of our six Houses, bringing a strong cohesion to our community.

- A forum is held half-termly to ensure colleagues have a valued voice in the School. Representatives from all areas of School attend and provide feedback.

Principal Activities of the Year

The principal activity of the School is the delivery of education to pupils ranging from 4 to 18 years of age. We also let the School to sporting and other groups during holidays and the School is open at other times for use by the local community. Pupil numbers at the School during the year were as follows:

	2022/2023		2021/2022	
Senior School	660	(179 boarders)	638	(171 boarders)
Preparatory School	85	(10 boarders)	78	(0 boarders)
Pre-Preparatory School	31		27	
Total	<u>776</u>		<u>743</u>	

	2022/2023		2021/2022	
	Boys	Girls	Boys	Girls
Senior School	374	286	368	270
Preparatory School	57	28	41	37
Pre-Preparatory School	20	11	21	6
Total	<u>451</u>	<u>325</u>	<u>430</u>	<u>313</u>

Public Benefit

Denstone College fully understands the truly privileged position it holds as an independent school in the current climate. To that end, the College seeks to allow every member of our community to understand this privilege and to ensure a sense of giving back is at the heart of our mission. As a Woodard school guided by Christian values, the sense of putting others before selves is critical.

Denstone College seeks to educate children from all backgrounds. The Admissions Policy and Accessibility Plan seek to make Denstone College an attractive and affordable option for as many families as possible. Our assessment seeks to find children who would thrive in this environment, and protected characteristics are indeed protected. Denstone College continues to support a number of families through financial bursaries up to 110%. We work closely with the Local Authority and the Royal National Springboard Foundation to help educate some of the most vulnerable children in our local area.

The Governing body of Denstone College, as the Charity Trustees, have complied with the duty in s. 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our School is part of a wider community both very locally and more broadly speaking through our many partnerships and more formal agreements. Our staff and pupils participate in regular activities which incorporate our local community and 'giving back' through our overt charitable missions is part of our culture. Partnerships with local state schools provide opportunities for swimming lessons on site, extra-curricular activities and bespoke programmes to help serve our local need. Additionally, we offer A Level teaching free-of-charge to children in local state schools who may not be able to access a particular subject. Staff members are encouraged to reach out where possible and a number serve as Governors in local schools. The activities undertaken and the success of our work in this area is well documented on our 'Schools Together' page.

Denstone College proudly educates its young people in the need to give back and in doing so, weekly charitable assemblies showcasing our many fundraising and charitable efforts are a highlight in the

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2023

school week. Children are encouraged to give freely of time, resource and care; statistics for volunteering hours earned through the Duke of Edinburgh Award Scheme only skim the surface of what our pupils achieve – often without realising their generosity.

Denstone College is committed to continuing the good work of our public benefit and enhancing this further.

Concessions Including Bursaries and Scholarships

Our school does not have an endowment and in funding our concessions we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. Further details of our concessions policies and how to apply are available on our website at www.denstonecollege.org

All criteria and policies relating to concessions are kept under review and are updated when necessary.

Bursaries

Bursary awards are important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In most cases the budget for bursaries is allocated using a needs blind approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the School.

This year the value of means tested bursaries totalled £552k (2022 - £541k) and represented 4.9% (2022 - 4.3%) of our gross fees. They provided assistance to 49 of our pupils of which 14 pupils benefited from a full remission of fees.

Scholarships

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

The School awarded scholarships to 151 (2022 - 183) pupils, based on their educational merit and potential, totalling £377k (2022 - £431K) and representing 2.6% (2022 - 3.4%) of our gross fees. Of this number, 49 (2022 - 29) also qualified for means-tested bursary support and are included in the figures relating to bursary awards. Scholarships awarded after September 2021 no longer carry a financial award, with those awarded previously continuing.

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

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Engagement with Suppliers, Customers and Others in a Business Relationship with Denstone College

Denstone College seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the School's operations.

During the year the School has further promoted this engagement through specific initiatives including:

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2023

- Regular communication and engagement with parents and prospective parents of pupils attending Denstone College to enhance the understanding of the provision to each pupil and to fully coordinate support to pupils from parents and schools.
- Engaging with other educational organisations and partners at local and national levels to share best practice and to provide peer support.
- Active dialogues with local councils on matters which impact children and families in the community as well as relate to operation of each school.
- Engaging with local businesses to promote career and educational opportunities for pupils for their mutual benefit.
- Seeking all possible opportunities to engage with local and national suppliers in the area.
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to Denstone College
- Promoting and encouraging pupil and staff opportunities to engage in local voluntary and other projects to support the community.
- Providing community access to Denstone College and, in many cases, adopting a role that puts the School at the heart of a community.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

School Performance and Achievements

During the year we educated 776 children between the ages of 4 and 18. The College offers a broad curriculum and educates children with a wide range of ability. The educational performance of the School was excellent, as demonstrated by the public examination results. The School achieved a 95% pass rate at grades 4 or above for GCSE, of which 44% of exams were awarded grade 7 or above, and in A Level or equivalent qualifications 84% of grades were A to C, of which 34% of exams were graded A* or A (or equivalent). With an average score of over 120 UCAS points per candidate - equivalent to around ABB grades at A Level – this year's A level cohort secured many impressive post-sixth form destinations, with the vast majority moving on to higher education at their first-choice destination. These results are well above the national average for all schools.

We continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. Denstone College continued with its ambitious refurbishment programme and during 2022-23 undertook refurbishments including completion of Hartley House boarding for Y3-8, Dining Hall servery upgrade and creation of 'Day Boys' changing rooms.

Denstone College celebrated its 150th Anniversary with a Garden Party, where students past and present, neighbours, staff and friends came together for Chapel services, afternoon tea, fairground rides, music, street food, fun runs, classic car show, golf and art competitions and more. A highlight of the day was when the JCB Dancing Diggers performed a special routine. The College was most grateful for this donation.

Arts, Music and Drama

One of the important elements of any Woodard school is the concentration on arts, music and drama. Denstone College is involved in all different aspects of these activities and the inter-house 'Cultural Cup' continues to thrive, with competitions in music, chess, art, model-making, quizzes, 'Question Time' events and many more.

2022-2023 has continued to be a busy musical year, building on the successes of the previous 12 months. The Chapel Choir continues to be highly active, with the usual regular performances at College services, and with some particularly challenging repertoire performed this year for major College events. Given the comparative youth of the choir at the moment (a large percentage of the group are in 3rd Form or below), this has been particularly impressive. The College Choral Concert was a great success, with the combined Chapel and Parent Choirs tackling Mozart's Requiem, alongside several other exceptional performances, including some pupil soloists with the orchestra. The parent choir has also grown this year, with around 25 parents and members of the wider community coming in to take part.

DIRECTORS' REPORT (*incorporating the Strategic Report*) **YEAR ENDED 31ST AUGUST 2023**

Other College ensembles have continued to develop, and the standard of instrumental musicianship has grown steadily throughout the year. The Big Band and Orchestra have both been performing repertoire of a high standard, including professional grade music. Smaller ensembles such as the Saxophone Group and Flute Choir have been progressing very well, with a number of exceptional performances. A significant opportunity for us this year was the 150th Birthday Party, which saw a number of our ensembles performing full length 45 minute sets on stage at the event. Instrumental lessons have continued to grow and we are currently delivering the largest number of instrumental lessons in the main College since 2016. This year's tour to Normandy was most successful, with 28 pupils from 3rd Form to Lower 6th attending the trip. Performances included a very large service in the Basilica in Lisieux, and joint performances with a French school. Several other visits also took place, including trips to London to see 'Wicked', to Stoke to see the musical 'Six', and a very popular trip to a local recording studio.

In December 2022, over 65 of our talented Middle and Senior School worked to produce an outstanding production of '9 to 5 The Musical'. All of the creatives collaborated tirelessly to ensure that the show was a success: the performance of its leads, the energy of the ensemble, the enthusiasm of the singing, the accomplished 12 piece band, the challenging and captivating choreography, the ambitious stage design, and the fun mood generated by the tech team all ensured that the show was jam packed with energy and fun. The newly acquired projector, enabling us to project full images on the upstage wall, added a new element to the production and helped to make it even more visually stunning. The Lower School performance of 'Beauty and the Beast' produced by the First, Second and Third formers in May 2023, revealed equal dramatic ability and professionalism in our Lower School. This was a beautiful show, featuring 70 student actors, several student assistant directors, twenty plus student designers and a student tech team. The audience were treated to four performances, all of which were received with delight. February 2023 welcomed the House Drama Festival, an event involving all of our Second Form students and creative representatives from the Lower Sixth. All of the students worked together in houses to create original and entertaining pieces of theatre; all of which were well-received by their two audiences. Those taking GCSE and A Level performed in 4 different evening showcases as a part of their curriculum assessments. Denstone's audiences were treated to a variety of different styles: Greek, Shakespeare, Political and Comedy, to name but a few, all polished to a very high standard. Alongside the extra-curricular performances, these were again supported by the pupil tech team members who continue to impress with their practices in lighting and sound. LAMDA has gone from strength to strength and this has continued to be a success. Near to 50 pupils are studying for LAMDA qualifications. We have continued to host evening screenings of a range of theatrical productions in the School Room, having subscribed to the National Theatre On-line and Digital Theatre Plus, which gives us access to a plethora of shows from a variety of professional theatres. We were also fortunate to take our students to visit Manchester's Lowry Theatre to see a fantastic production of Othello.

Sport

Sport at Denstone continues to evolve being guided by sector demands, the wider sporting world and importantly the ethos of the College, our strengths and our resources. The programme continues to offer a wealth of opportunities, both with competitive fixtures and on a more recreational basis. A programme that caters for all pupils and educates them in the values of team sports and physical exercise remained our priority this year. The extensive programme on offer reflects the onus that Denstone places on the role of the games programme and it is important that the programme continues to evolve whilst maintaining an emphasis on the benefits of team games. Sport and representation continue to grow with regards to both success and participation. In rugby, links to Leicester Tigers remain strong, as do recruitment, links to the academies and player care. Denstone rugby continues to be a dominant force in the Midlands and its reputation continues to grow nationally. Block fixtures of 8+ teams are put out weekly and rugby has continued to be the sport of choice for boys, which is reflective of the culture of success. For the season 2022/2023, the 1st XV were a formidable team with significant performances at Rosslyn Park, St Joseph's Rugby Festival and against Sedbergh. Hockey continues to grow in popularity, particularly amongst the girls and we have seen the biggest number of pupils represented in Talent Academies for some time. Counties represented are Staffordshire and Derbyshire and the School continues to support pupils in trialling for their respective counties. Our first year in Tier 1 was challenging but stimulating. With regards to participation, A-C teams are put out regularly at U12 and U13 level, A, B and C at U14 and A and B sides at U15 plus two senior teams. In netball, we regularly field 18 teams and have improved the quality of our fixture lists due to the number of girls wanting to represent the College. The College has continued to develop its cricket programme in both participation and performance and is the sport of choice for boys and for many girls in the

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2023

summer term. We have developed even stronger links with Staffordshire and Derbyshire with approximately 14 pupils training with Staffordshire and Derbyshire. Girls are increasingly involved, with girls representing the College in the Lower School age group. Lacrosse is an important alternative to hockey and netball for our older pupils, maintaining opportunities for representation outside of our core sports. The opening of the new Athletic Development Centre staffed by a Head of Athletic Development has helped educate our pupils, developing awareness of Athlete development, biomechanics, and injury prevention.

Community

Through development of, and provision of access to, our facilities, Denstone College remains at the heart of the community. Facilities, which are offered at times free of charge or at rates below commercial levels, that are made open to the public include:

- Our all-weather cricket nets that are made available to both local senior and junior clubs, often along with coaching to participants.
- Our swimming pool, which is made available to local swimming clubs and for use by local primary and middle schools. In addition to swimming lessons for our secondary age pupils, we provide 'Learn to Swim' teaching lessons for local children aged between 2.5 and 12 years, with about 300 participating.
- The Sports Hall is made available for local groups across various sports and leisure activities.
- Our sports pitches are used in regular fixtures against local schools in a variety of sports, with the outside community also able to use these facilities. Various youth groups and child sports clubs enjoy evening sessions, particularly on our floodlit all-weather pitch.
- We have hosted county, and indeed regional, hockey, rugby and cricket matches and trials, including some national cricket trials at various age levels.
- The local community are welcome to attend our Carols by Candlelight and other Chapel services and our drama and musical performances, either in the theatre or Chapel, are open to members of the village community, upon request.
- The College allows some 80 associate members from the local community to enjoy our golf course facilities.
- Subject to the necessary permissions, we can host wedding ceremonies and receptions.
- Through our Enterprise Company, we provide our facilities to children and adults in various sport and general activity groups during the School holidays.
- We continue to work very closely with the Parish Council and have met with them on numerous occasions to ensure we work collaboratively within the village.

Other Activities undertaken in the Community

These include the many that benefit from the fundraising efforts of our pupils and staff, and from volunteer work locally and further afield. Members of the College CCF contingent meet with local Army, Air Training and Sea Cadets in competition. Local cadet forces and Uttoxeter Rifle Club use the outdoor range. Pupils embarking on their Duke of Edinburgh Awards have regularly visited the elderly and help with local projects, including Community Speed watch, litter picking, maintaining the church yards and assisting as junior coaches in local sports clubs. Our Directors of Rugby and Hockey are in regular contact with local clubs. We continue to value our links with the local community and make facilities available to them.

Outreach

We remain actively in the process of expanding our outreach and partnerships programme with local state schools following the COVID years. We continue to extend our classroom teaching provision to some 6th Form pupils from local state schools. We also continue to have a number of staff on governing bodies at local schools. The College ran a very successful Science Workshop Day for local primary schools, led by our Head of Science. The department ran a number of practical activities for approximately 40 local primary school children. On Monday 10th July 2023, we invited 6 local primary schools to an U10 Cricket Festival. The schools played a number of fixtures against each other, and we welcomed approximately 40 local children to the Festival. This also involved visits from our Director of Cricket and Cricket Coach to local primary schools to provide coaching. The event was covered in the media by ISC. On Friday 13th October 2023, we welcomed 150 local primary school

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2023

children to Denstone College from 5 different primary schools for an all-day hockey festival, led by our Director of Hockey. The feedback received following the event was extremely impressive. All children left with a beginner's hockey stick so they can continue to play hockey moving forward. In the summer term, we organised an English writing competition for local primary schools. A number of schools participated, and we were inundated with entries (approximately 200). We presented the winners with prizes at the Big Birthday Party. We have also recently organised an Art exhibition. As part of Parliament Week, our Head of Politics visited a local primary school to lead parliament workshops. We recently held a Teach Meet at OSSMA in Stoke-on-Trent for local secondary school English teachers. The charity is continuing to develop wider community links and widening educational access to their facilities, both on free terms and at fee rates below commercial levels.

Wider Experiences

The College offered many trips to its pupils this year, including important fieldwork trips (such as the Geography trips to Wales and Iceland, and trips to academic conferences and workshops), a range of stimulating sports trips, tournaments and tours (including the St Joseph's and Rosslyn Park rugby festivals, where teams performed very strongly, and a pre-season trip to Gibraltar amongst others), boarders' trips to a range of entertainments, including seeing Peter Pan at the Manchester Opera House, and a wide range of other edifying opportunities, in addition to the numerous trips associated with outdoor pursuits (see below).

Combined Cadet Force (CCF), Duke of Edinburgh (DofE) Awards and Outdoor Pursuits

From 4th Form upwards, all pupils have the opportunity to join the CCF, which has an Army and RAF section within the contingent. Currently over 120 students take part in the CCF. The RAF section is flourishing with the support of a new Test NCO. Grants are helping with the purchase of drones and a flight simulator. The CCF ran Field Day exercises every term at Swynnerton and Leek military training areas and attended an annual camp during the summer holidays at Nescliffe. One of our cadets was the best shot from all the cadets who attended the annual camp. We have now combined with the JCB Academy and they bring 20 cadets each week. We have 12 staff registered. Denstone College CCF is regarded as one of the best contingents within the brigade area and is well staffed with 8 officers, drawn from the teaching staff. DofE remains a big part of the Activities programme. Over 90 pupils take part in Bronze award, 56 Silver and over 40 are aiming to complete Gold. Completion rates are strong and improving, especially at Bronze and Silver. 6 staff ensure the delivery of the syllabus to the students and help with the provision of the expeditions in holidays and over the exeats. ODs, parents and ex-staff as well as current staff are qualified as expedition assessors which helps to keep the costs down for the expedition section, enabling maximum participation for pupils from all different backgrounds. Outdoor pursuits continue to thrive at Denstone. The Sunday Climbing Club is well supported with maximum numbers of pupils working towards their NICAS and NIBAS awards. 1st Form all have a team building day on site run by Challenge Academy. 2nd Form visit Challenge Academy at Baggeridge Country Park with all pupils having the opportunity to complete the high ropes course and continue to explore ways to become a better person and develop resilience. The annual diving trip to Malta ran very successfully in October 2022. The School ski trip also took place this year for the first time in three years, and was very popular.

Charitable Activities

Inspired afresh by the Queen's vow of service upon her accession, which the College remembered when she passed away in September, our community once again threw itself into charitable work this year. We soon after found ourselves celebrating harvest and again our community provided a huge quantity of items which we donated to the foodbank at Renew church in Uttoxeter and also shared with the YMCA in Derby. Our relationship with both recipients has grown to a point where we welcome Jordan Lambert, the Uttoxeter Christian Schools worker, into School on a weekly basis as part of our carousel of activities for Second Form. Equally, Lower Sixth students have visited the YMCA in Derby and served food at their community meal. We were also able to support the YMCA using some of the funds gathered from our student home clothes days. This enabled the YMCA to provide much needed stationery to young pupils who attend the YMCA Key College. As always, November was a time to remember and our poignant Remembrance Service was well attended and saw our community show its usual respect to those who sacrificed so much. We continued with our support of the Denstone branch of the Royal British Legion through donations. Our Tuesday Chapel services in Lent term provided a forum for a number of students and staff to share their stories of volunteering work and charity fundraising efforts. As a result, we have again made a number of donations to a range of charities

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2023

locally, nationally and overseas, funded in part by pupils' donations on non-uniform days. We were also able to send laptops which were no longer suitable for use on the College system to be used by a school in Tanzania set up and run to support teenage girls who are unable to attend state schools. An OD, Tony Dodds, had introduced us to the project and we received a lovely email from the Project Leader expressing their appreciation.

Fundraising Performance

Under the guidance of a recently appointed Development Director (September 2022) and in alignment with organisational objectives, the primary focus for that team this year has been to foster meaningful engagement within our community. This includes outreach efforts directed towards local schools, staff, parents, alumni, and corporate partners. Notably, we successfully hosted an event that welcomed over 3,000 attendees to the College in celebration of our momentous 150th year. In parallel to our 150th year celebrations, we launched our first multi-channel 'Giving Day' campaign, a philanthropic initiative designed to generate donations for four key funds: Bursaries, Organ Appeal, Denstone Green Initiative, and Area of Greatest Need.

The collective generosity of our community this year resulted in cash donations totalling £342,000, supplemented by legacy pledges amounting to £70,000. These contributions included further proceeds from the sale of Smallwood Manor and a major gift from our alumni society that has been instrumental in realising our vision for the new Heritage Centre, officially unveiled on June 24th 2023. Additionally, we have a growing number of both regular and one-off donors from an expanding cohort of supporters, further enriching our fundraising endeavours.

Investment Policy and Objectives

The Company's Memorandum and Articles of Association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable.

Key Performance Indicators

The Key Performance Indicators (KPIs) used by the School are:

KPI	Target	Actual
Surplus	£309k	- £6k investment losses + £393k operating surplus = £387k surplus
Pupil numbers	736	776
Total salaries to net fees	70% of net fees	71.6%

Funds Held as Custodian Trustee on Behalf of Others

Denstone College does not hold funds or act as custodian trustee on behalf of others.

FINANCIAL REVIEW

Results for the Year

The incoming resources for the year amounted to £14,030k of which the operating surplus on school activities was £387k. This was above our target. This surplus has been achieved with a rise in fees lower than inflation, against a background of strongly rising operating costs, but with strong pupil numbers and commitment to continue to improve the facilities, so that in the circumstances we consider it a highly satisfactory achievement. Gross income for the year was up by some 13% on last year, reflecting the increase in pupil numbers throughout the School.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2023

Our trading company continues to hire out Denstone College facilities during holidays and school hours, as well as undertaking commercial activity on behalf of the School and externally.

The parents of our pupils often make significant sacrifices to pay the fees and, in doing so, they help to relieve the state of the financial burden of educating 776 UK-based children. The saving is estimated to have a value in the last year of £5,043k. The School is unable to recover the VAT on purchases it makes. This past year it has paid an estimated £788k in irrecoverable VAT on goods and services.

In addition to the very substantial benefits our School brings to our pupils, the local community and society through the education we offer, our bursary creates a social asset without cost to the Exchequer.

Denstone College provides a pension to some staff under the terms of the Pensions Trust Growth Plan. As a result of this pension scheme being under-funded, Denstone College is committed to contributing to a recovery plan. During the course of the year Denstone College made contributions to the recovery plan of £11k. Further details can be found in note 28.

Reserves Level and Policy, and Financial Viability

Denstone College's policy is to retain sufficient unrestricted income reserves to enable the Company to continue to meet its short-term financial obligations in the event of an unexpected revenue shortfall.

The balance sheet contains a number of non-cash and longer term liabilities, including those related to pensions. These items are excluded from consideration of the available reserves. Unrestricted funds increased by £381,642 to total £7,591,840, as shown in note 25. Denstone College plans to fund longer term capital expenditure and meet long-term liabilities through careful management of resources and investments, and through building reserves through operations and trading. The Company's unrestricted reserves are primarily invested in tangible fixed assets which are all used for its direct charitable activities.

In common with most independent schools, and due to having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The School's total reserves of £8.1m at the year-end included £286k of endowed funds, £215k of restricted funds and £7.6m unrestricted designated funds. Fixed assets held for charity use totalled £12.3m, leaving a deficit on free reserves of -£4.3m (2022: -£3.7m). The School's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The School does not have, and cannot rely on, permanent endowments. There was a closing cash and bank balance of £1.0m. The School does operate a Fees In Advance scheme, which has a small uptake. Creditors due within one year at year-end totalled £3.6m, with the largest element, £2.1m, representing fees received in advance of the Michaelmas 2023 Term.

PRINCIPAL RISKS AND UNCERTAINTIES

The consideration of risks below reflects the current environment, post the Coronavirus pandemic, offering a wider view of common events plus a specific risk looking at those events that could impact the continuity of education.

The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the School. The School is growing in numbers, but there is no room for complacency. The governing body, therefore, decided last year to increase the fees in September 2022 by 5%. For September 2023 the governing body has increased fees by 9%. The independent sector as a whole is currently subject to potentially increased political risk, as the stated policy of the Labour Party is to remove tax concessions for charitable independent schools. If elected, and if this policy is enacted, there is a significant risk to the independent sector as VAT would have to be added to school fees. This would potentially make the fees unaffordable for a proportion of parents, materially affecting the income.

Health and Safety is always a significant area for risk management. The risks range from fire and damage to infrastructure, to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the School is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The governing body is responsible for the identification and management of risks. The major risks to

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2023**

which the charity is exposed, as identified by the Directors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the Executive Officers and the process is overseen by the Compliance Committee. A formal review of the risk management processes is undertaken annually.

The principal risks to which the School is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- The Governors consider possible catastrophic events and ensure that the School has a plan in place to allow education to continue in a range of different scenarios.
- The market in which the School operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our school.
- We strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the School meets expectations.
- The School operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools Council also ensure that we have access to up-to-date information and support.
- The School operates in an increasingly litigious environment, and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges.
- All organisations face difficult economic conditions, particularly in relation to the impact of inflation, and Directors and senior managers in the School keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues.

The key controls used by the School include:

- Formal agendas and minutes for all meetings of the governing body and committees.
- Terms of reference for all committees.
- Comprehensive strategic planning, financial forecasting, budgeting and management accounting.
- Established and identifiable organisational structures and reporting lines which are regularly reviewed.
- Comprehensive formal written policies.
- Clear authorisation limits.
- Vetting procedures, as required by law, for protection of the vulnerable.

Financial Risk Management Objectives and Policies

The School uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the School's operations.

The main issues arising from the group's financial instruments are liquidity risk and interest rate risk. The school's Directors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the School seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities with our bank
- Interest rate risk – the School finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities.

GOING CONCERN

Having considered all factors and after reviewing the available evidence, the Directors have a reasonable expectation that the School will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Further details related to the

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2023

adoption of the going concern basis can be found in the accounting policies on page 24.

FUTURE PLANS

The key objectives of the current plan are:

- To maintain steady growth of pupil numbers for consistent increases within our determined capacity.
- To focus efforts on non-fee-based revenue through private lettings (managed by Denstone College Enterprises Ltd) and through fundraising efforts of Denstone Foundation.
- To continue our partnership work with local organisations – particularly educational links.
- To continue to grow the strength and size of The Prep at Denstone College (aged 3-11).
- To widen access to the School still further through the provision of means-tested bursaries.

DIRECTORS

The Directors who served during the year, and the committees of which they are members, are:

Prof N T Ratcliffe (Chair)	Finance and General Purpose, Education, Compliance, People, Development, Remuneration. Also invited to attend other committees in his capacity as Chair.
Mr A D Coley (Deputy Chair)	Finance & General Purpose, Development, Remuneration
Mr D T Brown	Finance & General Purpose
Mr M F Coffin	Finance & General Purpose, Development
Mr D A Cooper	Education, Finance & General Purpose, Compliance
Mrs J Dickson (resigned 28 November 2023)	Safeguarding, Compliance
Mrs E Evans (resigned 23 November 2022)	Finance & General Purpose, Development, Enterprise
Mr B W Hinton	Education, IT
Capt. M Huddy	Compliance, Finance & General Purpose, Education, Safeguarding, IT
Mr C J Lewis	Finance & General Purpose, Credit, Development
Mrs J J Marshall	Education
Mrs B A McNally-Young	People, IT, Remuneration
Mr J C Sampson	Development
Mr Q Siddiqi (appointed 19 April 2023)	Safeguarding, Compliance, Development

No Director has any beneficial interest in the Company. Denstone College buys Trustees and Officers insurance on behalf of the Directors.

Exemptions from Disclosure

Denstone College has not taken advantage of any exemption from disclosure in relation to Trustee details.

AUDITORS

RSM UK AUDIT LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under Section 488(1) of the Companies Act 2006.

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report, the Strategic Report included within the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and the Company financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the Company and of the profit or loss of the group and the Company for that period.

In preparing each of the group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting 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 group and the Company will continue in business.

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

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the charitable Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the charitable Company's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors of Denstone College on 08/03/24, including, in their capacity as Company Directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:

N.T. Ratcliffe

Prof N T Ratcliffe
CHAIRMAN

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2023

Opinion

We have audited the financial statements of Denstone College Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2023 which comprise the Consolidated and Charity Statements 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent 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 have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent 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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' 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 Directors' Report and the Strategic Report included within the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Directors' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2023

responses and to respond appropriately to fraud or suspected fraud identified during the audit.

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

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

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

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

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

Use of our report

This report is made solely to the 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.

Dale Thorpe

DALE THORPE (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Ninth Floor
Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB

Date: 08/03/24

DENSTONE COLLEGE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2023 £	Total 2022 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	12,446,930	-	-	12,446,930	11,046,788
Ancillary trading income	3	1,007,869	-	-	1,007,869	837,545
Other trading activities						
Non-ancillary trading income	4	214,686	-	-	214,686	186,685
Investments						
Investment income	5	-	4,056	10,335	14,391	12,447
Bank and other interest	6	6,879	-	-	6,879	309
Other – Grants and donations						
Grants and donations	7	281,173	59,087	-	340,260	1,480,308
Other incoming resources		(746)	-	-	(746)	-
TOTAL INCOMING RESOURCES	25	13,956,791	63,143	10,335	14,030,269	13,564,432
Expenditure on:						
Raising funds						
Non-ancillary trading	8	285,739	-	-	285,739	183,772
Financing costs	9	148,366	-	-	148,366	103,579
Investment management		-	717	2,003	2,720	2,733
Fundraising and development		35,944	-	-	35,944	3,600
TOTAL DEDUCTIBLE COSTS		470,049	717	2,003	472,769	293,684
Charitable Activities						
Education and grant making	8	13,164,147	-	3,173	13,167,320	11,662,775
TOTAL EXPENDITURE		13,634,193	717	5,176	13,640,409	11,959,459
Net gains/(losses) on investment assets	14,15	-	(1,272)	(2,365)	(3,637)	(17,609)
Net income/(expenditure)		322,595	61,154	2,794	386,543	1,590,364
Transfers between funds	25	59,087	(59,087)	-	-	-
Other recognised gains/(losses)						
Pension scheme actuarial (losses)/gains		-	-	-	-	-
Net Movement in funds for the year		381,682	2,067	2,794	386,543	1,590,364
Fund balances at 1st September		7,210,158	212,790	282,996	7,705,944	6,115,580
FUND BALANCES AS AT 31ST AUGUST		7,591,840	214,857	285,790	8,092,487	7,705,944

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 23 to 49 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2023 £	Total 2022 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	12,446,930	-	-	12,446,930	11,046,788
Ancillary trading income	3	862,818	-	-	862,818	708,411
Other trading activities						
Non-ancillary trading income	4	69,308	-	-	69,308	85,613
Investments						
Investment income	5	-	4,056	10,335	14,391	12,447
Bank and other interest	6	6,860	-	-	6,860	309
Other – Grants and donations						
Grants and donations	7	281,281	59,087	-	340,368	1,480,308
Other incoming resources		-	-	-	-	350
TOTAL INCOMING RESOURCES	27	13,667,217	63,143	10,335	13,740,675	13,334,226
Expenditure on:						
Raising funds						
Non-ancillary trading	8	-	-	-	-	-
Other income generating activities		-	-	-	-	-
Financing costs	9	146,943	-	-	146,943	102,092
Investment management		-	717	2,003	2,720	2,733
Fundraising and development		35,944	-	-	35,944	3,600
TOTAL DEDUCTIBLE COSTS		182,887	717	2,003	185,607	108,425
Charitable Activities						
Education and grant making	8	13,161,715	-	3,173	13,164,888	11,618,811
TOTAL EXPENDITURE		13,444,602	717	5,176	13,350,495	11,727,236
Net gains/(losses) on investment assets	14,15	-	61,154	(2,365)	(3,637)	(17,609)
Net income/(expenditure)		322,595	61,154	2,794	386,543	1,589,381
Transfers between funds	27	59,087	(59,087)	-	-	-
Other recognised gains/(losses)						
Pension scheme actuarial (losses)/gains	29	-	-	-	-	-
Net Movement in funds for the year		381,682	2,067	2,794	386,543	1,589,381
Fund balances at 1st September		7,208,178	212,790	282,996	7,703,964	6,114,582
FUND BALANCES AS AT 31ST AUGUST		7,589,860	214,857	285,790	8,090,507	7,703,963

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 23 to 49 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2023

	Note	Group 2023 £	2022 £	Charity 2023 £	2022 £
FIXED ASSETS					
Tangible assets	13	12,298,363	11,358,791	12,284,258	11,336,917
Investments	14	425,971	435,178	425,971	435,178
		12,724,334	11,793,969	12,710,229	10,113,618
CURRENT ASSETS					
Stock		48,808	85,247	-	-
Debtors	15	257,238	509,061	365,925	487,494
Cash at bank and in hand		1,035,527	1,642,929	963,054	1,444,018
		1,341,573	2,237,237	1,328,979	1,931,512
CURRENT LIABILITIES					
Creditors payable within one year	16	(3,612,701)	(4,014,467)	(3,587,979)	(3,688,849)
NET CURRENT ASSETS/(LIABILITIES)		(2,271,128)	(1,777,230)	(2,259,000)	(1,757,337)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,453,209	10,016,739	10,451,229	10,014,758
LONG TERM LIABILITIES					
Creditors payable after one year	17	(2,313,542)	(2,253,895)	(2,313,542)	(2,253,895)
Provisions for liabilities	29	(47,080)	(56,800)	(47,080)	(56,800)
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY		8,095,587	7,706,044	8,090,607	7,704,063
Net pension asset	29	-	-	-	-
Net pension liability	29	-	-	-	-
NET ASSETS		8,092,587	7,706,044	8,090,607	7,704,063
REPRESENTED BY: CALLED UP SHARE CAPITAL	22	100	100	100	100
ENDOWED FUNDS	24	285,790	282,996	285,790	282,996
RESTRICTED FUNDS	24	214,857	212,789	214,857	212,789
UNRESTRICTED FUNDS					
General reserve	24	7,591,840	7,210,159	7,589,860	7,208,178
Pension reserve	29	-	-	-	-
		8,092,587	7,706,044	8,090,607	7,704,063

The financial statements were approved and authorised for issue by the Board on 08/03/24 and signed on its behalf by:

N. T. Ratcliffe

Prof N T Ratcliffe
CHAIR

Company registration number 05010957

The notes on pages 24 to 50 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST AUGUST 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	28	920,330	2,356,297
Cash flows from investing activities:			
Dividends, interest and rents from investments		21,270	12,447
Proceeds from the sale of property, plant and equipment		3,000	350
Purchase of property, plant and equipment		(1,346,467)	(2,087,470)
Net cash provided by investing activities		(1,322,196)	(2,074,673)
Cash flows from financing activities:			
Repayments of borrowing		(96,912)	(38,906)
Cash inflows from new borrowing		39,744	698,000
Financing costs		(148,366)	(103,579)
Fees in advance – new contracts		-	-
Fees in advance – repayment of deposits		-	-
Fees in advance – payment of fees		-	-
Net cash provided by financing activities		(205,534)	555,515
Change in cash and cash equivalents in the year		(607,400)	837,139
Cash and cash equivalents at the beginning of the year		1,642,929	805,790
Cash and cash equivalents at the end of the year	29	1,035,529	1,642,929

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) **Basis of Accounting**

The accounts of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

Denstone College meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 38, and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£).

b) **Going Concern**

The accounts have been prepared on a going concern basis. The Denstone College Board reviews the financial information for the company and the group and considers whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts.

Having considered all factors and reviewing the available evidence, the Directors have a reasonable expectation that the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis.

Group Accounts

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Entities are consolidated where Denstone College exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

c) **School Fees Receivable and Similar Income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the School. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are reviewed for provision if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

d) **Ancillary and Non-Ancillary Trading Income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects, for example school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

e) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. 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 at the value to the School in case of donated services or facilities.

f) Expenditure

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy. The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

g) Finance and Other Costs

Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

h) Pension Costs

The School company participates in the Teachers' Pensions scheme (TPS), which is an unfunded government scheme, and provide benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes. The companies also contribute to other defined contribution pension schemes for non-teaching staff.

The company offers membership of the Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth Plan is a multi-employer pension scheme where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion which is similar to a defined contribution scheme.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in notes 27 and 28.

The School also offers an alternative to the TPS for teaching colleagues. The provision is from Royal London and is a Contract Based Defined Contribution scheme. This type of scheme involves the build-up of funds/contributions that may be used to provide a combination of cash and income on retirement. Royal London is a mutual insurer which means that it is owned by its policyholders, not shareholders.

i) Tangible Fixed Assets and Depreciation

In accordance with Section 35.10 (d) of FRS102, Denstone College has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects,

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

with a value greater than £10,000 are usually capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Where tangible fixed assets have been acquired with the aid of specific grants they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Freehold land is not depreciated.

Freehold Buildings:	- Variable according to the building and written off over the expected useful life (see paragraph below)
Freehold improvements	- Over the useful economic life of the improvement
Leasehold land and buildings	- Over the shorter of the economic life of the asset or the life of the lease
Leasehold enhancements	- Over the shorter of the economic life of the asset or the life of the lease
Plant and equipment	- Plant 10% on cost and 25% on cost
Fixtures, fittings and equipment	- 4% -25% on cost variable according to the expected useful life
Computer equipment	- 25% on cost
Motor vehicles	- 25% on cost

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. Where the calculated depreciation charge is a material figure, it is charged in these financial statements but, where the carrying value is not more than the estimated recoverable amount and the depreciation on the building is not material to these financial statements, it has been assessed, but not charged on the basis that it is not material. The Directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the Directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

No depreciation is provided for in respect of investment properties in accordance with Section 16 of FRS102. Such properties are held for their investment potential and not for consumption within the business. Investment properties are stated at their fair value at the balance sheet date.

Denstone College exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

j) **Financial Instruments**

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

k) **Investments and Fees in Advance Investments**

Investments and Fees in Advance investments are carried at fair value, which is deemed to be

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

market value as at the balance sheet date.

Realised and unrealised investment gains and losses are recognised as 'net gains/(losses) on investment assets' in the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

l) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

m) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

n) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet date.

o) **Fund Accounts**

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity. Endowment funds are further sub-divided into permanent and expendable, where required by the terms of the trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the Directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

p) **Taxation**

Denstone College is a registered charity and as such are exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The School has a subsidiary company that is subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The tax charged to the profit and loss account is based on the subsidiary company's profit for the year and takes into account tax arising because of timing differences between the treatment of certain items for tax and accounting purposes.

The subsidiary company distributes the majority of its profits to Denstone College under Gift Aid and tax liabilities are kept to a minimum.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2023 £	2022 £
The School fees income comprises		
Gross fees	14,379,472	12,718,514
Less: Total scholarships, bursaries, etc		
Add back: Scholarships, Grants etc paid for by Restricted Funds	(1,932,542)	(1,671,726)
	12,446,930	11,046,788

Scholarships, bursaries and other awards were paid to 333 pupils (2022: 353 pupils). Within this, means-tested bursaries totalling £552,454 were paid to 49 pupils (2022: £541,470 to 115 pupils).

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2023 £	2022 £
Extras	386,660	308,843
Entrance fees and registration fees	21,100	18,700
Pupil transport	417,094	336,509
Sundry other income	183,05	173,493
	1,007,869	837,545

4. OTHER TRADING ACTIVITIES

	2023 £	2022 £
Non-ancillary trading income		
Denstone College Enterprise company trading turnover	139,273	99,888
Rents receivable	1,291	1,184
Interest receivable – pupil bills	2,433	2,853
Other non-ancillary trading income	71,689	82,760
	214,686	186,685

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

5. INVESTMENTS - INVESTMENT INCOME

	Unrestricted	Restricted	Endowed	Total 2023 £	Total 2022 £
	£	£	£		
Investment income					
Equities	-	3,589	4,496	4,740	1,834
Fixed interest	-	-	4,740	8,085	9,253
Other	-	467	1,099	1,566	1,360
	-	4,056	10,335	14,391	12,447
Property investment income					
Rents receivable	1,291	-	-	1,291	1,184
	1,291	4,056	10,335	15,682	13,631

6. INVESTMENTS - BANK AND OTHER INTEREST RECEIVABLE

	Unrestricted	Restricted	Endowed	Total 2023 £	Total 2022 £
Bank interest	6,879	-	-	6,879	309
Other interest	-	-	-	-	-
	6,879	-	-	6,879	309

7. OTHER - GRANTS AND DONATIONS

	Unrestricted	Restricted	Endowed	Total 2023 £	Total 2022 £
Grants to Denstone College for bursaries from:					
Old Denstonians	596	35,000	-	35,596	-
JCB	100,000	-	-	100,000	-
Denstone College Foundation	10,577	24,087	-	34,644	47,024
Other	-	-	-	-	350
	281,173	59,087	-	340,260	1,480,658

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

8. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Support costs £	Depreciation (note 13) £	Total 2023 £	Total 2022 £
Costs of raising funds					
Non ancillary trading	143,428	136,238	6,073	285,739	183,772
Financing cost (note 9)	-	148,366	-	148,366	103,579
Investment management	-	2,720	-	2,720	2,733
Fundraising and development	-	35,944	-	35,944	3,600
Total cost of generating funds	143,428	323,268	6,073	472,769	293,684
Charitable expenditure					
Teaching	5,996,408	968,675	6,572	6,971,655	6,226,321
Welfare	754,961	542,806	-	1,297,767	1,174,170
Premises	971,768	1,425,325	390,500	2,787,594	2,404,577
School administration	1,049,412	1,045,087	-	2,094,499	1,846,498
Grants awards and prizes (note 8b)	-	11,275	-	11,275	9,946
Governance	-	4,531	-	4,531	2,093
Education and grant making	8,772,549	3,997,699	397,072	13,167,320	9,878,901
Total Expenditure	8,915,977	4,320,967	403,145	13,640,089	11,956,459

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

8. ANALYSIS OF EXPENDITURE (Continued)

b) Grants, awards and prizes

Denstone College makes awards to individual families to support schooling.

	2023 £	2022 £
From Endowed Funds:		
Other grants and awards	10,104	9,282
From Restricted Funds:	-	-
Other grants and awards	-	-
Prizes and leaving awards	-	-
From Unrestricted Funds:		
Other grants and awards	1,171	-
Prizes and leaving awards	-	-
	11,275	9,282

c) Total resources expended include:

Denstone College reimburses Governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. 1 Governor was reimbursed during the year (2022: 0).

	2023 £	2022 £
Remuneration paid to auditor for audit services	37,780	24,116
Additional remuneration paid to auditor for prior year	-	-
Remuneration paid to auditor for non-audit services	1,140	-
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	403,145	389,942
- held under finance leases and hire purchase contracts	(750)	(350)
(Profit) on disposal of fixed assets		
Operating lease rentals:		
- land and buildings	132,897	160,860
- other assets		
Reimbursement of personal expenses to Governors	384	-

9. FINANCING COSTS

	2023 £	2022 £
Bank interest payable	81,333	50,907
Fees In Advance debt financing costs	11,012	20,206
Pension Scheme financing cost	2,504	2,401
Bank charges	12,990	17,152
Provision for bad and doubtful debts	40,527	12,913
	148,366	103,579

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

10. STAFF COSTS

	2023 £	2022 £
The aggregate payroll costs for the year were:		
Wages and salaries	7,271,226	6,420,569
Social security costs	686,817	656,216
Other pension costs	953,405	914,669
Private medical insurance	4,529	84
	8,915,977	7,991,538

Included in staff costs are redundancy or termination payments totalling £22k (2022: £24k).

None of the Governors received remuneration or other benefits from Denstone College or from any connected body.

The Head and Bursar are classed by the School as being the Key Management Personnel.

	2023 £	2022 £
Aggregate employee benefits of Key Management Personnel	214,288	210,109

The number of higher paid employees whose annual emoluments were £60,000 or more was:

	2023 No	2022 No
£60,001 - £70,000	8	5
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

The number with retirement benefits accruing:
- in Defined Contribution schemes was

	7	5
Of which the contributions amounted to	£63,584	£52,490
- in Defined Benefit schemes was	3	3
Of which the contributions amounted to	£31,613	£46,453

For 2023 there are zero (2022: zero) employees earning over £60,000 per year that have chosen not to participate in a pension scheme.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

10. STAFF COSTS (Continued)

The average number of employees during the year calculated on a head count basis, was 245 (2022: 241).

	2023 No	2022 No
Teaching	99	99
Welfare	30	32
Premises	36	37
Support	76	68
Other activities	5	5
	245	241

11. DIRECTORS

None of the Directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £nil were awarded to children of Directors attending the School (2022: £4,251).

12. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

13. TANGIBLE FIXED ASSETS

Group and company	Freehold Land & Buildings £	Freehold Improvements £	Under Construction £	Fixtures, Fittings & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost							
At 1 st September 2022	11,603,245	-	1,490,771	1,069,470	682,669	52,213	14,898,368
Additions	14,200	-	1,118,489	213,778	-	-	1,346,467
Disposals	-	-	-	(58,730)	-	-	(58,730)
Transfers	2,004,866	-	(2,284,027)	257,608	21,553	-	-
At 31st August 2023	13,622,311	-	325,233	1,482,126	704,222	52,213	16,186,105
Depreciation							
At 1 st September 2022	2,035,993	-	-	807,500	674,066	22,017	3,539,576
Charge for the year	298,964	-	-	88,738	6,972	8,741	403,145
Disposals	-	-	-	(54,982)	-	-	(54,982)
At 31st August 2023	2,334,687	-	-	841,256	681,038	30,758	3,887,739
Net book value at 31st August 2023	11,287,624	-	325,233	640,870	23,184	21,455	12,298,366
Net book value at 31 st August 2022	9,567,252	-	1,490,771	261,970	8,603	30,196	11,358,792

All assets are used for charitable purposes.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

14. INVESTMENTS

	2023 £	2022 £
Group investments		
At 1 September	435,178	452,355
Reinvested income	14,391	12,447
Amounts extracted	(17,243)	(9,282)
Investment management fees	(2,718)	(2,733)
Realised gains/(losses) on investments	(492)	652
Unrealised gains/(losses) on investments	(3,145)	(18,261)
Group investments at 31 August	425,971	435,178
Investment in subsidiaries	100	100
Company investments at 31 August	426,071	435,278
Investments comprise:		
Listed investments		
Fixed interest	94,407	94,684
Equities	295,213	282,842
Unlisted investments		
Other	34,971	31,790
Cash	1,380	25,862
Group investments at 31 August	425,971	435,178
Investment in subsidiaries	100	100
Company investments at 31 August	426,071	435,278

Denstone College owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England/Wales. Further details are provided in note 32.

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

15. DEBTORS

	Group 2023 £	2022 £	Company 2023 £	2022 £
School fees receivable	57,161	47,833	57,161	47,833
Trade debtors	5,698	13,199	272	2,600
Other debtors	24,676	315,836	142,922	308,257
Prepayments and accrued income	169,703	163,276	166,114	128,804
	257,238	509,061	365,925	487,494

School fees receivable are net of £48,527 (2022: £ NIL) provided for doubtful debts.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

16. CREDITORS: amounts falling due within one year

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts (note 18)	103,781	101,282	103,781	101,282
Deposits from parents	44,667	39,040	44,667	39,040
Fees received from parents in advance of term	2,128,108	2,213,022	2,128,108	2,213,022
Trade creditors	364,348	145,397	349,582	144,685
Taxation and social security	188,036	167,421	182,694	155,564
Other creditors	293,626	541,609	290,662	240,093
Fees in Advance Scheme (note 19)	236,100	320,321	236,100	320,321
Accruals	254,035	486,027	252,385	474,842
Deferred income	-	348	-	-
	3,612,701	4,014,467	3,587,979	3,688,849

17. CREDITORS: amounts falling due after one year

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans (note 18)	1,718,401	1,817,812	1,718,401	1,817,812
Deposits from parents	302,038	266,945	302,038	266,945
Fees in Advance Scheme (note 19)	293,103	169,138	293,103	169,138
	2,313,542	2,253,895	2,313,542	2,253,895

Parents pay to the School a deposit of £600 in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils all remain in the School (which the vast majority do based on historical information) we record the deposits for students as due after one year, with the exception of students in the Upper Sixth form.

18. BANK LOAN

	2023 £	2022 £
The bank loan is repayable in instalments		
Due after 5 years	1,272,491	1,384,180
Due within 2 to 5 years	338,884	329,851
Due within 1 to 2 years	107,026	103,781
Due after more than one year	1,718,401	1,817,812
Due within 1 year	103,781	101,282
	1,822,182	1,919,094

Denstone College has a bank loan from Lloyds Bank Plc for the Prep renovations, which is secured by charges on the School's assets. A commercial loan was utilised to fund the first stage of the new Prep, on an interest-only basis until March 2022. This loan converted to include capital repayment from March 2022 and is repayable over 15 years.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

19. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the School, fees in advance will be applied as follows:

	2023 £	2022 £
After 5 years	-	-
Within 2 to 5 years	130,023	67,547
Within 1 to 2 years	163,080	101,591
Due after more than one year	293,103	169,138
Within 1 year	236,100	320,321
	529,203	489,459
Summary of movements in liability		£
Balance at 1 September 2022		498,459
New contracts		435,655
Repayments		(31,500)
Amounts used to pay fees		(364,411)
Amount accrued to contract as debt financing cost		11,012
Balance at 31 August 2023		529,203

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

20. FINANCIAL INSTRUMENTS

	2023 £	2022 £
FINANCIAL ASSETS:		
Debt instruments at amortised cost		
Trade debtors	5,698	47,833
Other debtors	251,540	461,228
Accrued income	-	-
	<u>257,238</u>	<u>509,061</u>
Equity instruments at cost less impairment/ FV through P&L		
Trade investments	425,971	435,178
	<u>425,971</u>	<u>435,178</u>
FINANCIAL LIABILITIES:		
Financial liabilities at amortised cost		
Trade creditors	364,348	145,397
Group creditors	-	-
Other creditors	3,478,978	3,717,844
Accruals	248,035	486,027
Borrowings - bank and debenture loans	1,822,182	1,919,094
	<u>5,913,543</u>	<u>6,268,362</u>

21. COMMITMENTS UNDER OPERATING LEASES

The future minimum commitments under non-cancellable operating leases are:

	Other 2023 £	2022 £
Within 1 year	166,396	132,898
Within 1 to 5 years	73,133	85,757
	<u>239,529</u>	<u>218,655</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

22. SHARE CAPITAL

	2023 £	2022 £
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

23. FUNDS

Denstone College's funds are analysed under the following headings:

a) ENDOWED FUNDS

Special Endowment

The Special Endowment funds of the company include a number of individual trust and prize funds set up by donors as permanent capital. The income generated is restricted to funding scholarships, bursaries, grants and prizes.

b) RESTRICTED FUNDS

The benefit fund is held in trust by the Woodard Corporation to assist former pupils by contributing towards the School fees of their children or dependents or in such a manner (being exclusively charitable) as the Trustees consider for their benefit. The fund has been built up by voluntary contributions. The College Council has power to determine on behalf of the Trustees which pupils shall receive benefit and the nature and extent of such benefit. The purpose is to provide financial support to pupils whose family circumstances would otherwise prevent them from attending the College.

c) UNRESTRICTED FUNDS

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted £	Restricted £	Endowed £	Total 2023 £	Total 2022 £
Tangible fixed assets	12,298,363	-	-	12,298,363	11,358,791
Investments	100	113,035	312,936	425,971	435,178
Net current (liabilities)/assets	(2,345,904)	101,822	(27,146)	(2,271,128)	(2,141,557)
Long term liabilities	(2,360,622)	-	-	(2,360,622)	7,705,944
	7,591,840	214,857	285,790	8,092,587	7,705,944

Charity	Unrestricted £	Restricted £	Endowed £	Total 2022 £	Total 2021 £
Tangible fixed assets	12,284,258	-	-	12,284,258	11,336,917
Investments	-	113,035	312,936	425,971	435,178
Net current (liabilities)/assets	(2,333,776)	101,822	(27,146)	(2,259,000)	(1,926,575)
Long term liabilities	(2,360,622)	-	-	(2,360,622)	(2,141,557)
	7,589,860	214,857	285,790	8,090,607	7,703,963

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

25. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 Sept 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	At 31 August 2023 £
Endowed - Expendable						
Revaluation reserve	60,531	-	-	-	(2,365)	58,166
School	222,465	10,335	(5,176)	-	-	227,624
	282,996	10,335	(5,176)	-	(2,365)	285,790
Restricted Funds						
Revaluation reserve	38,384	4,056	-	-	(1,272)	59,259
Bursary and organ fund	-	59,087	-	(59,087)	-	-
Scholarships, bursary & prizes	174,406	4,056	(717)	-	-	177,745
	212,790	63,143	(717)	(59,087)	(1,272)	214,857
Unrestricted Funds						
General Reserve	7,210,158	13,956,791	(13,634,196)	59,087	-	7,591,840
	7,210,158	13,956,791	(13,634,196)	59,087	-	7,591,840
Total Funds	7,705,944	14,030,269	(13,640,089)	-	(3,637)	8,092,487

Note 24 provides details of the individual funds.

26. CAPITAL COMMITMENTS

At 31 August 2023, the group had capital commitments as follows:

	2023 £	2022 £
Expenditure contracted for but not provided in the accounts	-	68,491

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2023****27. PENSION SCHEMES****Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £854k (2022: £1,006k) and at the year-end £0 (2022: £0) was accrued in respect of contributions to this scheme.

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 School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI) (this change has had the greatest financial significance)

As a result of the valuation, new employer contribution rates have been set at 28.68% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy).

Pensions Trust Growth Plan

The School participates in the TPT Retirement Solutions - The Growth Plan [or the TPT Retirement Solutions – Independent Schools' Pension Scheme], which is a multi-employer scheme providing benefits to over 1,300 non-associated participating employers [or 66 non-associated independent schools]. The scheme is a defined benefit scheme in the UK. It is not possible for the School to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for it as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the School is potentially liable for other participating employers' obligations if those employers are unable to meet their share of scheme deficits following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficits on an annuity purchase basis on withdrawal from the scheme.

Summary of provision for pension deficit recovery plan

	Company	
	2023	2022
	£'000	£'000
TPT Retirement Solutions – The Growth Plan	47	57

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

Royal London - Defined Contribution Pension Scheme

On 1st January 2022 the Royal London pension scheme was opened to newly recruited teachers in place of the Teachers' Pension scheme and has also been made available to our existing teachers as an alternative option to the Teachers' Pension Scheme. The group made total employer contributions to defined contribution pension schemes of £239,712 (2022: £92,861). As this scheme is solely a defined contribution scheme there are no scheme liabilities to report.

28. PENSION SCHEME DEFICIT RECOVERY PLAN

TPT Retirement Solutions - The Growth Plan Deficit Contributions

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2022 to 31 January 2025:	£3.312 m per annum

Unless a concession has been agreed with the Trustee the term to 31st January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows.

From 1 April 2019 to 30 September 2025:	£11.243 m per annum (payable monthly and increasing by 3% each on 1 st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

28. PENSION SCHEME DEFICIT RECOVERY PLAN (Continued)

Present Values of Provision	2023 £000's	2022 £000's
Present value of provision	14	24
Reconciliation of opening and closing provisions	2023 £000's	2022 £000's
Provision at 1 September	57	84
Unwinding of the discount factor	1	-
Deficit contribution paid	(11)	(27)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Provision at 31 August	47	57

Income and expenditure impact	2023 £000's	2022 £000's
Interest expense	1	-
Unwinding of the discount factor	-	-
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Contributions paid in respect of future service *	-	-
Costs recognised in income and expenditure account	12	-
Assumptions	2023 % per annum	2022 % per annum
Rate of discount	6.04	0.55

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Deficit Contributions Schedule

The following schedule shows the deficit contributions agreed between the company and the scheme at each year end period:

	2023 £000's	2022 £000's
Year 1	24	24
Year 2	23	24
Year 3	-	9

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

28. PENSION SCHEME DEFICIT RECOVERY PLAN (Continued)

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability. The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

29. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2023 £	2022 £
Net income for the period (as per the Statement of Financial Activities)	386,543	1,590,364
Adjustments for		
Depreciation charges	403,145	389,942
(Gains)/losses on investments	6,489	14,444
Dividends, interest, and rents from investments	(14,391)	(12,447)
Financing costs	148,366	103,579
Investment Management Fee	2,720	2,733
Loss/(profit) on the sale of fixed assets	(750)	(350)
(Increase)/decrease in stocks	36,439	27,320
(Increase)/decrease in debtors	251,823	(195,417)
Increase/(decrease) in creditors	(300,054)	436,129
Net cash provided by (used in) operating activities	920,330	2,356,297

30. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand and at bank	1,035,528	1,642,929
Total cash and cash equivalents	1,035,528	1,642,929

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

31. ANALYSIS OF CHANGES IN NET DEBT

	At 1 st Sept 2022	Cash flows	Other non- cash changes	At 31 st Aug 2023
	£	£	£	£
Cash and cash equivalents				
Cash	1,642,929	(607,401)	-	1,035,528
	<u>1,642,929</u>	<u>(607,401)</u>	<u>-</u>	<u>1,035,528</u>
Borrowings				
Loans falling due within one year	(101,282)	(2,499)	-	(103,781)
Loans falling due after more than one year	(1,817,812)	99,411	-	(1,718,401)
	<u>(1,919,094)</u>	<u>96,912</u>	<u>-</u>	<u>(1,822,182)</u>
Total	<u>(276,165)</u>	<u>(510,489)</u>	<u>-</u>	<u>(786 654)</u>

32. SUBSIDIARIES

The Company owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England and Wales (Company number: 05181951). This company carries out trading activity on behalf of the School including commercial letting and sales from the School's tuck shop.

Denstone College Enterprises Limited had a turnover of £290,503 (2022: £230,206), gross profit of £9,457 (2022: £8,346), and a profit before tax and gift aid of £106 in the year ended 31 August 2023 (2022: profit of £994). At 31 August 2023 the company had shareholder's funds of £100 (2022:100).

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

33. Consolidated Statement of Financial Activities – Comparative figures by fund type

Year Ended 31 August 2022	Unrestricted £	Restricted £	Endowed £	Total £
Income and endowments from Charitable activities				
School fees receivable	11,046,788	-	-	11,046,788
Ancillary trading income	837,54	-	-	837,545
Other trading activities				
Non-ancillary trading income	186,685	-	-	186,685
Investments				
Investment income	-	3,163	9,284	12,447
Bank and other interest	309	-	-	309
Voluntary sources				
Grants and donations	1,388,084	92,224	-	1,480,308
Other incoming resources	350	-	-	350
Total Incoming Resources	13,459,761	95,387	9,284	13,564,432
Expenditure on:				
Raising funds				
Non ancillary trading	183,772	-	-	183,772
Other income generating activities	-	-	-	-
Financing costs	103,579	-	-	103,579
Investment management	-	792	1941	2,733
Fundraising and development	3,600	-	-	3,600
Total Deductible Costs	290,951	792	1,941	293,684
Charitable activities				
Education and grant making	11,653,493	-	9,282	11,662,775
Total resources expended	11,944,444	792	11,223	11,956,459
Net gains/(losses) on investment assets	-	(15,491)	(2,118)	(17,609)
Net income/(expenditure)	1,515,317	79,104	(4,057)	1,590,364
Transfers between funds	88,567	(40,584)	(47,983)	-
Other recognised gains/(losses)				
Pension scheme actuarial gains/(losses)	-	-	-	-
Net movement in funds for the year	1,603,884	38,520	(52,040)	1,590,364
Fund balances at 1 st September	5,606,275	174,269	6,115,580	6,115,580
Fund Balances at 31st August	7,210,159	212,789	7,705,944	7,705,944

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

34. CONTINGENT LIABILITIES

The Company has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2022. As of this date the estimated employer debt for the Company was £173,158, including Series 3 liabilities.

35. ULTIMATE CONTROLLING PARTY

The Woodard Corporation Limited is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of Denstone College Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

36. RELATED PARTIES

As stated in note 35, Denstone College Limited is a wholly owned subsidiary of The Woodard Corporation. An amount of £75,393 was paid during the year to Woodard Corporation by way of a levy to meet running costs.

Denstone College Enterprises Limited had a turnover of £290,503 (2022: £230,206), gross profit of £9,457 (2022: £8,346), and a profit before tax and gift aid of £106 in the year ended 31 August 2023 (2022: profit of £994). At 31 August 2023 the company had shareholder's funds of £100 (2022: £100).

During the year we made payments totalling £23k to Ainsley & Partners. A Director of the College holds a 50% equity share in Ainsley & Partners. The payment relates to professional fees associated with the Prep School project.

37. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

38. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the Directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

Pension Scheme Deficit Reduction Payments

As explained at note 28, there is a deficit reduction plan in place in respect of Denstone College's membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Pension Scheme Contingent Liability

As explained at note 28, there is a contingent liability in the event that Denstone College were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Provision for Bad Debts

Debts are considered for provision if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

Depreciation, Impairment and Residual Values of Fixed Assets

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates for depreciation, and for matters of impairment.

DENSTONE COLLEGE LIMITED

England & Wales - Charity number 1102588

Accounts

Charity Registration No. 1102588

Company Registration No. 05010957 (England and Wales)

DENSTONE COLLEGE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2022

DENSTONE COLLEGE LIMITED

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DENSTONE COLLEGE LIMITED

COMPANY INFORMATION

DIRECTORS AND ADVISORS

Directors

Prof. N T Ratcliffe (Chair)
Mrs E L Bell
Mr M F Coffin
Mr A D Coley
Mr D A Cooper
Mrs J Dickson
Mrs E J Evans
Mr B W Hinton
Capt. M G Huddy
Mr C J Lewis
Mrs B McNally-Young
Mrs J J Marshall (appointed 22nd November 2021)
Mr S W Poyner (resigned 6th February 2022)
Mr J C Sampson (appointed 16th March 2022)

Charity No.

1102588

Company No.

05010957

Principal Address and Registered Office

Denstone College Ltd
Uttoxeter
Staffordshire
ST14 5HN

Key Management Personnel:

Head

Miss L E Tulloch

Bursar

Mrs M A Walker

Auditors

RSM UK Audit LLP
9th Floor, 3 Hardman Street, Manchester, M3 3HF

Bankers

Lloyds Bank
1 Pride Hill, Shrewsbury, SY1 1DG

Solicitors

Veale Wasborough
Narrow Quay, Bristol, BS1 4QA
Farrer & Co
66 Lincoln's Inn Fields, London, WC2A 3LH
Martin Kaye
The Foundry, Eiston Way, Telford, TF3 4LY

Investment Advisers

Cazenove Capital
1 London Wall Place, London, EC2Y 5AU

Insurance Brokers

Marsh
Capital House, 1-5 Perrymount Road, Haywards
Heath, West Sussex, RH16 3SY

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

The directors present their report and financial statements for the year ended 31st August 2022 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in 2004 and is registered with the Charity Commission as charity number 1102588. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The charitable company is incorporated in the United Kingdom. Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The company is governed by Articles of Association as adopted by Special Resolutions dated 2 July 2015 and 20 March 2013, replacing those dated 9 January 2004 amended by Special Resolution dated 25 January 2006. They permit funds to be managed in such a manner as the directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the company.

Governing Body

The governors are the directors and charitable trustees of the company and comprise the governing body of Denstone College and are elected to hold office for five years. The school is governed by the governing body which operates using a number of committees. Membership of each committee is outlined on page 17. The governing body met 5 times during the year.

Recruitment and Training of Governors

All governors are Fellows of the Woodard Corporation. Fellows are responsible for electing the Woodard Corporation Board. Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The governing body look to ensure a mix of skills and select new governors on the basis of background, competence, specialist skills and, in the case of Fellows, Christian commitment. Governors are provided with induction training by the Chair, Head, Bursar, Head of HR and staff and a wider programme of training events is organised by the Woodard Corporation.

Where possible the governors consider that the skills and experience of the governing body should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.

One Governor may have one or more of these skills.

Volunteers

Governors are volunteers providing their time for free to support the governance of the school. The school also relies on a number of others to undertake volunteer roles including the Friends of Denstone and The Prep PTFA who help in fundraising, assist the College in events and provide help where required.

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DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2022**

Organisational Management

The school is governed by the governing body which delegates work to a number of committees. Membership of each committee is outlined on page 17. The directors determine the general policy of the company.

Compliance Committee – the Chair of Governors chairs this committee. Risk management, health and safety, GDPR, UKVI, security and inspection are agenda items. It met twice during the year.

Education Committee – responsible for oversight of the academic performance of the school and educational policy, making recommendations to the governing body. It met three times during the year.

Finance & General Purpose Committee – this committee has a remit to consider budgets, both revenue and capital, cash-flow information and financial reports, including the financial statements. It also considers financial policies and the financial regulations. Estates, building maintenance and capital development are also reviewed here. This committee makes recommendations to the governing body for approval. The Finance & General Purpose Committee met four times during the year.

Other committees include Development, IT, Pastoral and People.

The day to day management of the company is delegated to the Head and the Bursar as the Key Management personnel, overseeing educational, pastoral and administrative functions in consultation with the senior team. The day to day administration is undertaken within the policies and procedures approved by the governors which provide for only significant expenditure decisions and major capital projects to be referred to the governors for prior approval.

The Head oversees the recruitment of all educational staff, whilst under delegated authority the bursar oversees the recruitment of administrative and non-teaching support staff. The Head, Bursar and Head of HR are invited to attend governors' meetings.

The remuneration of key management personnel is set by the governing body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school'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 school remains sensitive to the broader issues of pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at the relevant point within a band, providing scope for rewarding excellence. We recognise that delivery of the school's charitable vision and purpose is primarily dependent on our key management personnel and that staff costs are the largest single element of our charitable expenditure.

Group Structure and Relationships

The company has a wholly owned non-charitable subsidiary, Denstone College Enterprises Limited, the activities and trading of which are described below.

We have a thriving alumni group, the Old Denstonians, who are generous in supporting the work of the school and whose support we greatly appreciate. We also cooperate with several local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

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CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and extend education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and principles of the Church in the Diocese of Lichfield or elsewhere. The Church is defined as being the Church of England and churches in full communion with the See of Canterbury.

Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education; and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They are strong Christian foundations which adhere to catholic belief as found in the Church, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain.

Aims

Denstone College is a boarding and day school for pupils from the ages of 4 to 18; in September 2021 we opened a new Prep school at the College site. The College aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help pupils make their way in adult life.

Primary objectives

The primary objectives of Denstone College to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgment and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Denstone College education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately, and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

- to resource the College to provide a broad and relevant curriculum that leads to successful participation and academic outcomes.
- to open boarding up to younger students, from Y3, delivering a wider experience for all of our boarders, with older students as role models.
- the opening of the new Prep has facilitated more options for all of our students, with new colleagues bringing new skills.
- 10-12% of fee income is allocated to assist in enabling talented children whose parents could otherwise not afford for them to attend the school.
- Governors are responsible for the overall management and control of the school. They meet at least three times a year and also hold sub-Committees for decision making. The day-to-day management is delegated to the Head and Bursar supported by their management teams, covering a variety of operational and compliance aspects, as well as Deputy Heads.

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Additionally, Housemasters and Housemistresses are heavily involved in pastoral support. Our tutor system links most academic staff to one of our six Houses, bringing a strong cohesion to our community.

- The Forum runs half-termly to ensure colleagues have a valued voice in the school. Representatives from all areas of school attend and feedback.

Principal Activities of the Year

The principal activity of the school is the delivery of education to pupils ranging from 4 to 18 years.

We also run a number of summer school activities and the school is open at other times for use by the local community. Pupil numbers at the school during the year were as follows:

	2021/2022		2020/2021	
Senior School	638	(171 boarders)	620	(141 boarders)
Preparatory School	78	(0 boarders)	-	
Pre-Preparatory School	27	(0 boarders)	-	
Total	<u>743</u>		<u>620</u>	

	2021/2022		2020/2021	
	Boys	Girls	Boys	Girls
Senior School	368	270	354	276
Preparatory School	41	37	-	-
Pre-Preparatory School	21	6	-	-
Total	<u>430</u>	<u>313</u>	<u>354</u>	<u>266</u>

Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community. Denstonians (current and former) can reflect on our belief in Achievement, Confidence and Happiness, and the values instilled here of Honesty, Endeavour and Kindness so that they play a useful role in society, leading fulfilling and purposeful lives.

In the furtherance of these aims the Denstone College governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our school will be able to educate and develop that pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our school is part of a wider community and we are keen that our staff and pupils participate. Our school also offers resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our governors are committed to developing our programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of our programme are explained in the 'Review of Achievements and Performance for the Year' section of this report.

Woodard and its schools provide a significant benefit to the public. The school strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded

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from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Again, further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individuals or elements of Woodard are incidental to delivery of the charitable objectives.

Concessions Including Bursaries & Scholarships

Our school does not have an endowment and in funding our concessions we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. Further details of our concessions policies and how to apply are available on our website at <https://www.denstonecollege.org/admissions/fees>.

All criteria and policies relating to concessions are kept under review and are updated when necessary.

Bursaries

Bursary awards are important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In most cases the budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school.

This year the value of means tested bursaries totalled £541k (2021 - £364k) and represented 4.3% (3.5%) of our gross fees. They provided assistance to 115 (2021 - 59) of our pupils of which 5 (2021 - 2) pupils benefited from a full remission of fees.

Scholarships

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to our co-curricular activities.

The school awarded scholarships to 183 pupils (2021 205), based on their educational merit and potential, totalling £431k (£444k) and representing 3.4% (4.3%) of our gross fees. Of this number, 28 (29) also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

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

Scholarships no longer attract a financial award. Those in place will be honoured. Each scholar has a programme to develop their particular skill. If required, funds to scholars are in the form of hardship bursaries.

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Investment Policy and Objectives

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The company's memorandum and articles of association permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable.

Investment activities are managed in line with the requirements of the Trustee Act 2000. Our investment policy is to preserve the capital value of investments and maximise the return and income on all investments.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Impact of Coronavirus Pandemic

These accounts relate to the year to 31st August 2022, and therefore reflect the diminishing financial and operational impact on the education sector, and all of society, of the Coronavirus pandemic. Schools were required to close to all bar 'Key Workers' in March 2020 and again from January to May 2021. Much of the education was moved online. Woodard schools and academies adapted well to provision of online learning and the responses from parents were positive. This was reflected in an increase in numbers in many independent schools, including Denstone College, in September 2021. In Denstone College, boarding numbers are now at a higher level than in 2019.

The pandemic had a direct impact on school financial health across two financial years, but there was significant recovery in 2021-22. Following earlier cuts in fees in order to reflect the impact of the various restrictions, Denstone College raised fees by an average of 5% in September 2021. Denstone College had to adapt to the situation, but we have been able to provide a full educational experience in 2021-22.

School Performance and Achievements

During the year we educated 743 children between the ages of 4 and 18. The school offers a broad curriculum and educates children with a wide range of ability. The educational performance of the school was excellent, as demonstrated by the public examination results. The school achieved a 97% pass rate at grades 4 or above for GCSE, of which 44% of exams were graded at grade 7 or higher, and at A Level 89% of entries gained C grades or above, of which 70% of exams were graded A* to B (or equivalent). These results are well above the national average for all schools and in line with the average performance of independent schools. A large majority move on to higher education or degree apprenticeships, and many achieve their first choice destination. Measures of success at preparatory and junior schools vary from school to school but all include some form of examination and ability assessment.

We continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. Denstone College continued with its ambitious refurbishment programme and during 2021-22 undertook refurbishments including:

- Expansion of the Prep school provision to add two classrooms, three specialist zones, a reading room, a cloakroom and an office for the Deputy Head on the first floor, with large roof lights creating light and airy spaces.
- Creation of new boarding facilities in Hartley House for up to 62 Y3-8 children.
- Creation of a state-of-the-art Athletic Development Centre / Gym facility for use for all, from age 4 for PE to age 18 for strength and conditioning training and also for staff wellbeing and options to let either to fee-paying entities or for public benefit use.

Prep School (opened 1st September 2021)

The planning and development of the prep building culminated in its grand opening in September 2021. One of the most popular aspects of the new site so far has proven to be the innovative outdoor play area, used for outdoor education and supervised play. Parents were introduced to the new site by their children during the Settling-in Evening. Pupils eagerly showed parents around their new classrooms and introduced their new teachers. The first Open Morning in the new building, in early October, was a

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roaring success. High levels of interest were expressed by prospective parents and students, and as a result, the Prep School soon celebrated welcoming its 100th pupil in the January 2022.

Since making the move to the Denstone College campus, one of the facilities which our talented pupils have made the most use of is the fantastic music school. In October, students took part in the first Prep and Lower School Tea Concert, featuring performances on the clarinet and electric guitar. October is also the time of Harvest Festival; celebrations this year were led by the Pre-Prep, who recited poems and songs in the Chapel. Some Pre-Prep pupils also visited Barrowhill Hall Nursing Home in Uttoxeter to donate some harvest fruits and vegetables. Prep musicians took part in numerous concerts over the year, including performances from the Junior Band, Junior Choir, Prep Band, Percussion group and Chapel choir. Musical events such as these, have ensured that Prep pupils grow in confidence and are part of the community here at the College. Instrumental individual music lessons for Prep pupils now include voice, piano, drums, guitar, brass, woodwind and strings.

Sport flourished among the Prep community throughout 2021, with pupils making the most of the extensive sports facilities at Denstone College. All pupils in Prep 3-6 took part in an hour of PE per week. Half of the term was spent swimming and half following a traditional PE curriculum. All pupils in Prep 3-6 were timetabled 4 hours of games training per week. Fixtures and tournaments took place mostly during games afternoons. 100% of pupils in Prep 3-6 represented the school in sporting fixtures. Sports fixtures and tournaments included a variety of schools and venues in a diverse and multicultural environment. Games sessions were taught by specialist sports teachers and coaches from the senior school. Sports captains were awarded in Prep 6 to pupils who displayed leadership, sportsmanship, knowledge and understanding of the game. Full and half colours were awarded termly to Prep pupils who displayed good attainment, effort and attitude to sport. A variety of sporting clubs and activities were offered before and after school. The Prep made full use of the facilities on site including astros, and tennis courts, football/rugby pitches, swimming pool and use of the indoor sports hall and the climbing wall.

Each Year group from Prep 2 up to Prep 6 experienced a residential, from a night under the stars on the Pre- Prep play area to a full week in the Lake District. Reception and Prep 1 had an evening campfire and used the Outdoor Classroom.

In the Prep, all 18 pupils who took LAMDA examinations in the speaking of verse and acting and prose, musical theatre and public speaking in November 2020 received a merit or distinction. 11 pupils took LAMDA examinations in March 2021 in speaking of verse and prose and all received a merit or distinction. 14 pupils took LAMDA examinations in July 2021 in the speaking of verse and prose and acting and received either a merit or distinction, including one pupil who got an extremely rare 100% and two Prep 6 pupils who achieved Grade 6 (GCSE level) Bronze medal.

The Prep at Denstone College has continued throughout 2021 to have a meaningful impact on the wider community. During Environment Week the pupils learnt about the impacts of littering on the environment, and spent time litter-picking around the College campus to promote environmentalism in the school community.

Multiple events were hosted this year in aid of the BBC's Children in Need. The Pre-Prep created outdoor clay art of Pudsey Bear in Forest School, and Reception and Pre-Prep 1 took part in Sophie Ellis-Bextor's Danceathon whilst allowing their creativity to flourish, by having a 'Pen Disco', inspired by the work of Paul Klee and Keith Haring. A Pudsey and Strictly Come Dancing themed non-uniform day was also held, to raise money for the well-known charity. The Prep also contributed to the community effort to collect donations for the Trussell Trust, with over 1,200 food items being donated altogether. Students of the Prep also joined together to raise money for Guide Dogs for the Blind by hosting a onesie non-uniform day and the PTFA raised over £400 for Macmillan Cancer Support.

Arts, Music and Drama

One of the important elements of any Woodard school is the concentration on arts, music and drama. Denstone College is involved in many different aspects of these activities and the inter-house 'Cultural Cup' has continued to thrive.

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The academic year 2021-2022 saw a full musical programme return to the College. The Chapel Choir remains the largest and most active ensemble, continuing to perform regularly on Friday afternoons during the College year. The opportunity to extend lunchtime rehearsals this year has made a significant impact on the choir's output, and with the Choir now steadily developing a strong grounding in the major English Cathedral repertoire, we have successfully learned a number of more complex works this year. As well as regularly performing in Chapel, the Chapel Choir, alongside a newly formed parent choir, were also able to learn and perform a major choral work (Vivaldi's Gloria) in the Spring Term, and this is set to become a regular feature of the calendar. Numbers have remained at just over 60, despite losing over 10 members of the U6th last year, which is very encouraging. Other ensembles have continued to develop well. The College Swing Band has rebranded as the Big Band, and has focused on learning complex and challenging repertoire, including some contemporary works. The Orchestra has moved to a new rehearsal time, and as a result has grown considerably in numbers. Smaller Ensembles such as the Soul Band, Chamber Orchestra, Chamber Choir, and two Show Choirs, along with instrumental groups such as the string group have all contributed extensively to concerts, and have grown in membership and confidence. The major concert programme now consists of three events - the Michaelmas Concert and Lent Concerts, both of which take place in the Drill Hall, and the Summer Quad Concert, which takes place in the Lonsdale Quad. Individual concerts have continued to take place regularly, and have grown over the course of the year, to the extent that a new venue is now being sought for these events. Instrumental lessons have seen growth this year, with around 250 lessons per week being delivered in September 2022, up from around 200 in September 2021. The music calendar at the Prep is now well developed, with a successful concert programme including afternoon tea concerts, and a very successful outdoor summer serenade concert. For the first time in a number of years, there was also a music tour, with around 20 musicians going to Cornwall for four days to perform in the local area. This year we are planning a tour overseas to Normandy, and have around 25 pupils potentially attending this trip. Targets this year are focused on outreach, including a prep school's orchestral day, and the development of the Denstone Young Musician competition into a wider, public event.

In December 2021, following an intense term of rehearsals, over 60 of our talented middle and senior school students lifted everyone's spirits with an outstanding production of *Legally Blonde*. This was a welcome return to the large-scale affair of pre-COVID drama productions. The show's strength was thanks to all of the inextricable production elements which saw the stage transformed into a professional working theatre: the performance of its leads, the energy of the ensemble, the enthusiasm of the singing, the accomplished 15 piece band, the challenging and captivating choreography, the ambitious stage design, and the feel-good mood generated by the tech team all ensured that the show was jam packed with energy and fun. The Lower School performance of *Oliver!* produced by the First, Second and Third formers in May 2022, demonstrated equal talent and professionalism. This was a joyful show, which welcomed fifty-five actors, several student assistant directors, seventeen student designers and student tech team volunteers in its production. All cast and creatives were an absolute pleasure to work with and delighted audiences across all three of its performances. In February 2022, we saw the return of the House Drama Festival, an event involving all of our Second Form students and creative representatives from the Lower Sixth. All of the students worked together in houses to create original and entertaining pieces of theatre; all of which were well-received by their audiences. Those taking GCSE and A Level performed in 4 different evening showcases as a part of their curriculum assessments. Denstone's audiences were treated to a variety of different styles: Greek, Shakespeare, Political and Comedy, to name but a few, all polished to a very high standard. And alongside the extra-curricular performances, these were again supported by the pupil Tech Team, who continue to impress with their practices in lighting and sound, and the newly formed design team, who expertly painted setting and props. This year, 3 of our A Level Drama and Theatre students have gone on to study Drama at FE level. Most impressively, one student has been accepted to study Musical Theatre at the prestigious Mount View Theatre School, and a 2019 leaver has been accepted by the world-renowned Italia Conte Drama School in London to study Acting. LAMDA has gone from strength to strength and this has continued to be a success. 40 pupils are studying for LAMDA qualifications and we are working to solve the issue of having a waiting list. All 28 pupils who sat LAMDA exams in March 2020 received either a Merit or a Distinction. This year has allowed a return to regular theatre trips, particularly but not exclusively for drama students; perhaps the most enjoyed was the new and highly inventive production by the New Vic Theatre Company, 'Tom, Dick and Harry' – a story of the great Escape. In-house theatre screenings have continued to be a popular event hosted by the Drama Department. The National Theatre's production of *Small Island*, a spectacular adaptation of Andrea Levy's *Windrush* novel, was a superbly well supported show in Black History Month.

Sport

It was fabulous to get back to a 'normal' year of Sport at Denstone. The programme continues to offer a wealth of opportunities, both with competitive fixtures and on a more recreational basis. A programme that caters for all pupils and educates them in the values of team sports and physical exercise remains our priority as we move into the next academic year. The extensive programme on offer reflects the onus that Denstone places on the role of the games programme and it is important that the programme continues to evolve with sector market trends, whilst retaining a sense of tradition in team games. Sport and representation continue to grow with regards to both success and participation.

Hockey continues to grow in popularity and we have seen the biggest number of pupils represented in county hockey squads and on Player Pathways for some time. Counties represented are Staffordshire and Derbyshire and the school continues to support pupils in trialling for their respective counties. Reflecting our commitment to the development of hockey and as an indicator of our sporting aspirations, Denstone, for the first time, will enter the National Tier One Hockey competitions of both girls and boys, which facilitates competition against the best hockey schools nationwide. With regards to participation, A-D teams are put out regularly at U12 and U13 level, A, B and C at U14 and A and B sides at U15. Denstone Rugby continues to be a dominant force in the Midlands and its reputation continues to grow nationally. Block fixtures of 8+ teams are put out weekly and rugby continues to be the sport of choice for boys, which is reflective of the culture of success. Currently nine Sixth Formers are in the U18 Academy at Leicester Tigers and one pupil at Sale Sharks. In netball, we regularly field 19 teams and have improved the quality of our fixture lists due to the number of girls wanting to represent the College. Our Director of Netball has further developed links with Loughborough Lightning, as the Lead Coach for the U15 team, and they also use our facilities for the regional hubs. More girls than ever are trialling for regional hubs (U15 and U17 level) and girls are gaining increased success at county trials.

The College has continued to develop its cricket programme in both participation and performance and is the sport of choice for boys and for many girls in the summer term. We have developed even stronger links with Staffordshire and Derbyshire. Girls are increasingly involved, with girls representing the College in the Lower School age groups and we will continue to develop opportunity and provision for girls in the 22/23 season. The interest in tennis has risen dramatically over the past few years and is a sport that is available all year round. Pupils are supported in their development by our tennis coach (who is in school 4 days per week) and the option to enrol in the Denstone College Tennis Academy is available to all pupils. Lacrosse also continues its popularity. The College has employed a sports graduate to lead our lacrosse programme; recruitment has been excellent with girls from 3rd Form to Upper 6th, and four girls have been successful in U18 Shropshire county trials. Of all our sports, golf is growing most quickly with almost a 100% increase in the numbers taking part in the last academic year. There have been a significant number of tournaments and matches with a growing number of boys and girls taking up the opportunity to be members of the Denstone College Golf Club.

The opening of the new Athletic Development Centre staffed by two Athletic Development specialists will continue to support our elite players moving forwards and we look forward to this facility educating both our 1st team pupils as well as developing awareness of Athlete development, biomechanics, injury prevention and so on. The facility will no doubt be used well and will support pupils in a range of sports whilst at Denstone. This facility is multi-purpose and will see our Prep students using the open space for PE and our staff taking programmes to aid wellbeing.

Community

Through development of, and provision of access to, our facilities, Denstone College remains at the heart of the community. Facilities, which are offered at times free of charge or at rates below commercial levels, that are made open to the public include:

- Our all-weather cricket nets that are made available to both local senior and junior clubs, often along with coaching to participants.
- Our swimming pool, which is made available to local swimming clubs and for use by local primary and middle schools. In addition to swimming lessons for our secondary age pupils, we provide 'Learn to Swim' teaching lessons for local children aged between 2.5 and 12 years, with about 300 participating.

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- The Sports Hall is made available for local groups across various sports and leisure activities.
- Our sports pitches are used in regular fixtures against local schools in a variety of sports, with the outside community also able to use these facilities. Various youth groups and child sports clubs enjoy evening sessions, particularly on our floodlit all-weather pitch.
- We regularly host county, and indeed regional, hockey, rugby and cricket matches and trials, including some national cricket trials at various age levels.
- The local community are welcome to attend our Carols by Candlelight and other Chapel services and our drama and musical performances, either in the theatre or Chapel, are open to members of the village community, upon request.
- The College allows some 80+ associate members from the local community to enjoy our golf course facilities.
- Subject to the necessary permissions, we can host wedding ceremonies and receptions.
- Through our Enterprise Company, we provide our facilities to children and adults in various sport and general activity groups during the evenings, weekends and school holidays.

Other Activities undertaken in the Community

These include many that benefit from the fundraising efforts of our pupils and staff, and from volunteer work locally and further afield. Members of the College CCF contingent meet with local Army, Air Training and Sea Cadets in competition. Local cadet forces and Uttoxeter Rifle Club use the outdoor range. Pupils embarking on their Duke of Edinburgh Awards have regularly visited the elderly and help with local projects, including Community Speed watch, litter picking, maintaining the church yards and assisting as junior coaches in local sports clubs. Our Directors of Rugby and Hockey are in regular contact with local clubs. We continue to value our links with the local community and make facilities available to them.

Outreach

The College had significantly increased its outreach and partnership work in the two years before COVID. Many initiatives were unavoidably put on pause in 2020-22, although it was possible to maintain others, and we are now actively in the process of expanding our outreach and partnerships programme with local state schools again.

We continue to extend our classroom teaching provision to some 6th Form pupils from Painsley Catholic College in Cheadle and Thomas Alleyne's High School in Uttoxeter. Last year, we welcomed a student into our French classes, for example. We also work in partnership with Painsley to provide placements for PGCE students, waiving the associated payment due to us from Painsley: we provided one such placement in 2021-22.

The charity is continuing to develop wider community links and widening educational access to their facilities, both on free terms and at fee rates below commercial levels.

Wider Experiences

The College offered many trips to its pupils this year: these include important fieldwork trips, such as the Geography field trip to Wales and the Art trip to Oxford, sporting trips, including to the St Joseph's and Rosslyn Park rugby festivals amongst others, boarders' trips to a range of entertainments, including seeing Aladdin at the theatre, and a wide range of other edifying opportunities, such as the chance for prospective lawyers to visit Wolverhampton Crown Court, in addition to the numerous trips associated with outdoor pursuits (see below).

Combined Cadet Force (CCF), Duke of Edinburgh (DofE) Awards and Outdoor Pursuits

From 4th Form upwards, all pupils have the opportunity to join the CCF, which has an Army and RAF section within the contingent. Currently over 120 students take part in the CCF. They enter many Brigade-run competitions and were winners of the CCF Cadet Skills at Arms Meeting and overall best CCF in the Cadet Target Rifle Competition. One of our cadets was also the best shot from all the cadets who attended. The CCF ran Field Day exercises every term at Swynnerton or Leek military training areas and attended an annual camp during the summer holidays at Nescliffe and this resulted in us winning the award for the Best overall contingent. We have now combined with JCB and are now over 150 cadets strong with 12 staff on the books. Denstone College CCF is regarded as one of the best

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2022**

contingents within the brigade area and is well staffed with 8 officers, drawn from the teaching staff.

DofE remains a big part of the activities programme. Over 70 pupils take part in Bronze award, 50 Silver and over 30 are aiming to complete Gold. Completion rates are improving, especially at Bronze and Silver. 6 staff ensure the delivery of the syllabus to the students and help with the provision of the expeditions in holidays and over the exeat weekends. All missed expeditions have now taken place. ODs, parents and ex-staff, as well as current staff are qualified as expedition assessors which helps to keep the costs down for the expedition section, enabling maximum participation for pupils from all different backgrounds.

Outdoor pursuits continue to thrive at Denstone. The Sunday climbing club is well supported with maximum numbers of pupils working towards their NICAS and NIBAS awards. 1st Form all have a team building day on site run by Challenge Academy. 2nd Form had a fabulous activities week including a trip to Baggeridge country Park with all pupils having the opportunity to complete the high ropes course. A diving trip to Malta has been launched and will run Oct 2022. Another is planned for Oct 2023 and the Kenya trip that was postponed from 2020 is being launched to pupils next month for 2024.

The school ski trip will take place this year after a 3 year gap, and this was over-subscribed at launch last year.

Charitable Activities

Our Tuesday Chapel services have predominantly had a focus on our community involvement in terms of the charitable efforts of staff and pupils. We have had presentations reflecting our support for the following huge range of charities: Make a Wish, RSPCA, Guide Dogs, Kids Village, Children in Need, Carter the Brave, Good News Family Care, The Children's Society, Cancer Research, DMRC, DEC Ukraine Appeal, Lymphoma Action, One by One, Braintrust, Bees for Development, Kidney Research, AMMF, BEAT & Derby YMCA. A total of £12,737.55 was raised through home clothes day donations, chapel collections and special collections, such as the one undertaken for the DEC Ukraine appeal. Following our Remembrance Service, our retiring collection amounted to £330 which was sent to the Royal British Legion. Additionally we sent over 1,200 items of food to the local foodbank following our harvest collection as well as a minibus full of clothes, bedding and toys that were also donated to the Ukrainian appeal. Our giving to external charities has been exceptional this year and numerous letters of thanks have been received into College telling of how the donations have made a positive impact.

We will continue to encourage staff and students to come forward and share their stories of work with local and national charities and following the success of last year's collection for The Foodbank, we will arrange a similar collection in Michaelmas 2022. Now in its second year, The Think Tank has joined the Lower School Activities Carousel, affording each Second Former the opportunity to learn more about how poverty (in many forms) affects people across the globe. The pupils then elect a charity to support. This has included 'Period Poverty', a charity that strives to give women access to menstrual products, safe, hygienic spaces in which to use them, and the right to manage menstruation without shame or stigma. The pupils presented their project to the whole College, and donated monies raised from a cake sale and non-uniform day.

Fundraising Performance

Significant progress has been made this year in fundraising and the ongoing work of raising voluntary funding for the school. Grants and donations totalled £1,480k (2021: £160k), including £1,363k donated from the proceeds of the sale of Smallwood Manor Prep School and a further £70k being donated by Old Denstonians. These donations were used for the expansion of our new Prep School facilities.

Investment Performance Against Objectives

The College does not undertake any investment in quoted securities either for unrestricted funds or the Advanced Fees Scheme. Investment in quoted securities is limited to our restricted and endowed funds and these are managed through the Woodard Corporation.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

Key Performance Indicators

The Key Performance Indicators (KPIs) used by the school are:

KPI	Target	Actual
Surplus	A small surplus of £28k due to ramifications of life after COVID not being clear	£1,433k high value donations - £18k investment losses + £175k operating surplus = £1,590k surplus
Pupil Numbers	696	743
Total salaries to net fees	75% of net fees	72% of net fees

Funds held as custodian trustee on behalf of others

Denstone College does not hold funds or act as custodian trustee on behalf of others.

FINANCIAL REVIEW

Results for the Year

The net incoming resources for the year amounted to £1,590,364 of which the operating surplus on school activities was £174,689. This was above our targeted amount due to a strong performance in student numbers and mix, with boarding being more popular than plan. Gross income for the year was up by some 26% on last year, reflecting the increase in pupil numbers throughout the school and the opening of the Prep. Smallwood Manor Preparatory School Limited sold the property in September 2021 and donated £1.363m to Denstone College Limited, without restrictions, expressing a preference that the funds are utilised to enhance the new Prep school. These funds were fully used for the Prep project, which went live during Michaelmas Term 2022.

Our trading company continues to hire out Denstone College facilities during vacations and school hours, as well as undertaking commercial activity on behalf of the school and externally. The company contributed £994 to the school's operating surplus in a year where holiday camps were less popular due to cost of living pressures and parents continuing to work from home following the pandemic.

The parents of our pupils often make significant sacrifices to pay the fees. In doing so they help to relieve the state of the financial burden of educating 720 UK based children. The saving is estimated to have a value in the last year of £4,933k. The school is also unable to recover the VAT on purchases it makes. During the past year, Denstone College has paid an estimated £969k in irrecoverable VAT on goods and services.

In addition to the very substantial benefits our school brings to our pupils, the local community and society through the education we offer, our bursary programme creates a social asset without cost to the Exchequer.

Denstone College provides a pension to some staff under the terms of the Pensions Trust Growth Plan. As a result of this pension scheme being under funded, Denstone College is committed to contributing to a recovery plan. During the course of the year Denstone College made contributions to the recovery plan of £27,062. Further details can be found in note 27.

Reserves Level and Policy, and Financial Viability

Denstone College's policy is to retain sufficient unrestricted income reserves to enable the company to continue to meet its short-term financial obligations in the event of an unexpected revenue shortfall.

The balance sheet contains a number of non-cash and longer-term liabilities, including those related to pensions. These items are excluded from consideration of the available reserves. Unrestricted funds

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

increased by £1,515,317 to total £7,210,159, as shown in note 25. Denstone College plans to fund longer term capital expenditure and meet long term liabilities through careful management of resources and investments and through building reserves through operations and trading. The company's unrestricted reserves are primarily invested in tangible fixed assets which are all used for its direct charitable activities.

In common with most independent schools, and due to having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total reserves of £7.7m at the year-end included £0.3m of endowed funds, £0.2m of restricted funds and £7.2m unrestricted designated funds. Fixed assets held for charity use totalled £11.4m, leaving free reserves of -£3.7m (2021: -£3.6m) at the year-end. The school's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The school does not have, and cannot rely on, permanent endowments. Smallwood Manor Preparatory School Limited sold the property in September 2021 and donated £1.363m to Denstone College Limited, without restrictions, expressing a preference that the funds are utilised to enhance the new Prep school. These funds were fully used for the Prep project, which went live during Michaelmas Term 2022.

Engagement with Suppliers, Customers and Others in a Business Relationship with Denstone College

Denstone College seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the College's operations.

During the year the College has further promoted this engagement through specific initiatives including:

- Regular communication and engagement with parents and prospective parents of pupils attending Denstone College to enhance the understanding of the provision to each pupil and to fully coordinate support to pupils from parents and schools.
- Engagement with other educational organisations and partners at local and national levels to share best practice and to provide peer support.
- Active dialogues with local councils on matters which impact children and families in the community as well as relate to operation of each school.
- Engaging with local businesses to promote career and educational opportunities for pupils for their mutual benefit.
- Seeking all possible opportunities to engage with local and national suppliers in the area.
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to Denstone College.
- In particular, Denstone College has adopted the government's policies and guidance during the Coronavirus pandemic and sought to maximise its support to all suppliers through the crisis in order to sustain their support and services in the future.
- Promoting and encouraging pupil and staff opportunities to engage in local voluntary and other projects to support the community.
- Providing community access to Denstone College and, in many cases, adopting a role that puts the school or academy at the heart of a community.

PRINCIPAL RISKS AND UNCERTAINTIES

Coronavirus Pandemic

These financial statements were compiled at a time when all restrictions relating to the Covid 19 global pandemic had been removed, and activity had mostly returned to normal. That is not to say that the virus was no longer affecting school life; cases continue in both pupils and staff. Like most trustees, the governors keep under consideration the impact of a catastrophic event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below is therefore reflective of a more stable

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

environment and does not specifically look at the pandemic, or other similar events, but offers a wider view of common events plus a specific risk looking at those events that could impact the continuity of education.

The governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risks faced by the school. The school is currently growing in numbers, but there is no room for complacency. The governing body, therefore, decided last year to increase the fees in September 2021 by 5%. For September 2022 the governing body has again implemented a 5% increase. Health and Safety is always a significant area for risk management. The risks range from fire and damage to infrastructure, to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The governing body is responsible for the identification and management of risks. The major risks to which the charity is exposed, as identified by the directors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the Executive Officers and the process is overseen by the Compliance Committee on behalf of the governing body.

The principal risks to which the College is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the governors consider possible catastrophic events and ensure that the school has a plan in place to allow education to continue in a range of different scenarios
- the market in which the school operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our school
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the school meets expectations
- the school operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools Council also ensure that we have access to up-to-date information and support
- the school operates in an increasingly litigious environment, and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic conditions and directors and senior managers in the school keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues

The key controls used by the school include:

- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

Financial risk management objectives and policies

The school uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The main issues arising from the group's financial instruments are liquidity risk and interest rate risk. The school's directors adopt policies for managing each of the risks and these are summarised below:

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2022**

- Liquidity risk – the school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from our bank.
- Interest rate risk – the school finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities for the Prep school commercial loan

GOING CONCERN

As at 31 August 2022, the group had a balance sheet position with net assets of £7.7m (2021: £6.1m). The governing body is aware however that net current liabilities stand at £1.8m (2021: net current liabilities of £3.3m); included within creditors less than one year are fees in advance, which will be taken to income during 2022-23.

There are also two points to note in regards to the opening of the Prep school in September 2021. A commercial loan was utilised to fund the first stage of the new Prep, on an interest-only basis until March 2022. This loan converted to include capital repayment from March 2022. Smallwood Manor Preparatory School Limited sold the property in September 2021 and donated £1.36m to Denstone College Limited, without restrictions, expressing a preference that the funds are utilised to enhance the new Prep school. These funds were used for phase II of the Prep project, which went live during Michaelmas Term 2022.

The governing body has continued to review any potential impact of the global pandemic on school operations and finances. As noted earlier in the report, all restrictions were lifted before the start of the 2021-22 academic year. Having considered all factors and after reviewing the available evidence, the directors have a reasonable expectation that the company will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 27.

FUTURE PLANS

The key objectives of the current plan are:

1. To continue to provide outstanding education for an expanding population of pupils aged 4-18.
2. To reinvigorate our fundraising and enterprise activity to secure greater non-fee based revenue.
3. To look to the future for a more sustainable estate.
4. To widen access by focusing on greater bursary funds available for means-tested support.
5. To continue to seek to work with our wider community to provide even greater public benefit.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

DIRECTORS

The directors who served during the year, and the committees of which they are members, are:

Prof N T Ratcliffe (Chairman)	Finance & General Purpose, Education, Marketing, Compliance, Personnel, Fundraising, Remuneration. Also invited to attend other committees in his capacity as Chair.
Mrs E L Bell	Education, Compliance, Personnel
Mr M F Coffin	Finance & General Purpose, Fundraising
Mr A D Coley	Finance & General Purpose, Enterprise
Mr D A Cooper	Finance & General Purpose, Education, Compliance
Mrs J Dickson	Compliance, Safeguarding, Fundraising
Mrs E Evans	Finance & General Purpose, Marketing, Enterprise
Mr B W Hinton	Education, Marketing, Safeguarding, Personnel, IT, Fundraising, Enterprise
Capt. M Huddy	Finance & General Purpose, Compliance, Safeguarding, IT, Fundraising,
Mr C J Lewis	Finance & General Purpose, Marketing, Credit, Enterprise
Mrs J J Marshall	Education
Mrs B McNally-Young	IT, Personnel
Mr J C Sampson	Development

None of the directors has any beneficial interest in the company.

Denstone College buys trustees and officers' insurance on behalf of the directors.

Exemptions from disclosure

Denstone College has not taken advantage of any exemption from disclosure in relation to trustee details.

AUDITORS

RSM UK Audit LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

DIRECTORS' RESPONSIBILITIES' STATEMENT

The directors are responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting 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 and group will continue in business.

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Approved by the Board of Directors of Denstone College on 17/01/23, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Prof N T Ratcliffe
CHAIRMAN

17/01/23
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DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2022

Opinion

We have audited the financial statements of Denstone College Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2022 and of the group's incoming resources and application of resources, including its income and expenditure, 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 have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the incorporated Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 Statement of Directors' responsibilities set out on page 18, 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 Directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2022

of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

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

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

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

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

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

Use of our report

This report is made solely to the 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.

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2022

RSM UK Audit LLP

DALE THORPE (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

17/01/23
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DENSTONE COLLEGE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	11,046,788	-	-	11,046,788	8,872,286
Ancillary trading income	3	837,545	-	-	837,545	570,153
Other trading activities						
Non-ancillary trading income	4	186,685	-	-	186,685	135,659
Investments						
Investment income	5	-	3,163	9,284	12,447	12,342
Bank and other interest	6	309	-	-	309	17
Other – Grants and donations						
Grants and donations	7	1,388,084	92,224	-	1,480,308	524,054
Other incoming resources		350	-	-	350	400
TOTAL INCOMING RESOURCES	25	13,459,761	95,387	9,284	13,564,432	10,114,911
Expenditure on:						
Raising funds						
Non-ancillary trading	8	183,772	-	-	183,772	141,875
Other income generating activities		-	-	-	-	-
Financing costs	9	103,579	-	-	103,579	49,496
Investment management		-	792	1,941	2,733	2,522
Fundraising and development		3,600	-	-	3,600	2,150
TOTAL DEDUCTIBLE COSTS		290,951	792	1,941	293,684	196,043
Charitable Activities						
Education and grant making	8	11,653,493	-	9,282	11,662,775	9,878,901
TOTAL EXPENDITURE		11,944,444	792	11,223	11,956,459	10,074,944
Net gains/(losses) on investment assets	14,15	-	(15,491)	(2,118)	(17,609)	58,825
Net income/(expenditure)		1,515,317	79,104	(4,057)	1,590,364	98,792
Transfers between funds	24,25	88,567	(40,584)	(47,983)	-	-
Other recognised gains/(losses)						
Pension scheme actuarial gains	27	-	-	-	-	67,892
Net Movement in funds for the year		1,603,884	38,520	(52,040)	1,590,364	166,685
Fund balances at 1st September		5,606,275	174,269	335,036	6,115,580	5,948,895
FUND BALANCES AS AT 31ST AUGUST		7,210,159	212,789	282,996	7,705,944	6,115,580

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 27 to 54 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	11,046,788	-	-	11,046,788	8,872,286
Ancillary trading income	3	708,411	-	-	708,411	457,778
Other trading activities						
Non-ancillary trading income	4	85,613	-	-	85,613	58,682
Investments						
Investment income	5	-	3,163	9,284	12,447	12,342
Bank and other interest	6	309	-	-	309	6
Other – Grants and donations						
Grants and donations	7	1,388,084	92,224	-	1,480,308	544,504
Other incoming resources		350	-	-	350	400
TOTAL INCOMING RESOURCES	27	13,229,555	95,387	9,284	13,334,226	9,945,998
Expenditure on:						
Raising funds						
Non-ancillary trading	8	-	-	-	-	-
Other income generating activities		-	-	-	-	-
Financing costs	9	102,092	-	-	102,092	47,856
Investment management		-	792	1,941	2,733	2,522
Fundraising and development		3,600	-	-	3,600	2,150
TOTAL DEDUCTIBLE COSTS		105,692	792	1,941	108,425	52,528
Charitable Activities						
Education and grant making	8	11,609,529	-	9,282	11,618,811	9,854,500
TOTAL EXPENDITURE		11,715,221	792	11,223	11,727,236	9,907,028
Net gains/(losses) on investment assets	14,15	-	(15,491)	(2,118)	(17,609)	58,825
Net income/(expenditure)						
Transfers between funds	24,25	88,567	(40,584)	(47,983)	-	-
Other recognised gains/(losses)						
Pension scheme actuarial (losses)/gains	27	-	-	-	-	67,892
Net Movement in funds for the year		1,602,901	38,520	(52,040)	1,589,381	165,687
Fund balances at 1st September		5,605,277	174,269	335,036	6,114,582	5,948,895
FUND BALANCES AS AT 31ST AUGUST		7,208,178	212,789	282,996	7,703,963	6,114,582

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 27 to 54 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2022

	Note	Group 2022 £	2021 £	Charity 2022 £	2021 £
FIXED ASSETS					
Tangible assets	13	11,358,791	9,661,263	11,336,917	9,661,263
Investments	14	435,178	452,355	435,178	452,355
Fees in Advance scheme investments	14	-	-	-	-
Property investments	15	-	-	-	-
Investment in subsidiaries	14,22	-	-	-	-
		11,793,969	10,113,618	11,772,095	10,113,618
CURRENT ASSETS					
Stock		85,247	112,567	-	-
Debtors	16	509,061	313,644	487,494	473,024
Cash at bank and in hand		1,642,929	805,790	1,444,018	687,557
		2,237,237	1,232,001	1,931,512	1,160,581
CURRENT LIABILITIES					
Creditors payable within one year	17	(4,014,467)	(4,545,221)	(3,688,849)	(4,474,899)
NET CURRENT LIABILITIES		(1,777,230)	(3,313,220)	(1,757,337)	(3,314,318)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,016,739	6,800,398	10,014,758	6,799,300
LONG TERM LIABILITIES					
Creditors payable after one year	18	(2,253,895)	(600,856)	(2,253,895)	(600,856)
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY		7,762,844	6,199,542	7,760,863	6,198,444
Net pension liability	27	(56,800)	(83,862)	(56,800)	(83,862)
NET ASSETS		7,706,044	6,115,680	7,704,063	6,114,582
REPRESENTED BY: CALLED UP SHARE CAPITAL	22	100	100	100	100
ENDOWED FUNDS	23,24	282,996	335,036	282,996	335,036
RESTRICTED FUNDS	23,24	212,789	174,269	212,789	174,269
UNRESTRICTED FUNDS					
General reserve	23,24	7,210,159	5,606,275	7,208,178	5,605,177
Pension reserve	27	-	-	-	-
		7,706,044	6,115,680	7,704,063	6,114,582

The financial statements were approved and authorised for issue by the Board on 17/01/23 and signed on its behalf by



Prof N T Ratcliffe
CHAIRMAN

Company registration number 05010957

DENSTONE COLLEGE LIMITED

CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST AUGUST 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	28	2,356,297	539,380
Cash flows from investing activities:			
Dividends, interest and rents from investments		12,447	12,359
Proceeds from the sale of property, plant and equipment		350	400
Purchase of property, plant and equipment		(2,087,470)	(1,584,983)
Proceeds from sale of investments		-	(19,229)
Net cash used in investing activities		(2,074,673)	(1,591,453)
Cash flows from financing activities:			
Repayments of borrowing		(38,906)	-
Cash inflows from new borrowing		698,000	1,260,000
Financing costs		(103,579)	(49,496)
Fees in advance – new contracts		-	-
Fees in advance – repayment of deposits		-	-
Fees in advance – payment of fees		-	-
Net cash provided by (used in) financing activities		555,515	1,210,504
Change in cash and cash equivalents in the year		837,139	158,431
Cash and cash equivalents at the beginning of the year		805,790	647,357
Cash and cash equivalents at the end of the year	29	1,642,929	805,790

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) **Basis of Accounting**

The accounts of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

Denstone College meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 37, and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£).

b) **Going Concern**

The accounts have been prepared on a going concern basis. The Denstone College Board reviews the financial information for the company and the group and considers whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts.

Having considered all factors and reviewing the available evidence, including the income and expenditure analysis and cash-flow forecasts for the period through to August 2023, having confirmed bank facilities in place until February 2023 (with directors agreeing to the College requesting, in due course, a further extension of the facility to February 2024) the directors have a reasonable expectation that the company group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis.

c) **Group Accounts**

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Entities are consolidated where Denstone College exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

d) **School Fees Receivable and Similar Income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

e) **Ancillary and Non-Ancillary Trading Income**

Ancillary trading income represents amounts from activities to generate funds within the

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

charitable objects, for example school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

f) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. 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 at the value to the school in case of donated services or facilities.

g) Expenditure

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy. The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

h) Finance and Other Costs

Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

i) Pension Costs

The school company participates in the Teachers' Pensions scheme, which is an unfunded government scheme, and provide benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes.

The company offers membership of the Pensions Trust Growth Plan and Royal London to employees. The Pensions Trust Growth and Royal London are multi-employer pension schemes where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion which is similar to a defined contribution scheme.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in notes 27 and 33.

j) Tangible Fixed Assets and Depreciation

In accordance with Section 35.10 (d) of FRS102, Denstone College has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Where tangible fixed assets have been acquired with the aid of specific grants they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Freehold land is not depreciated

Freehold Buildings:

- Variable according to the building and written off over the expected useful life (see paragraph below)

Freehold improvements

- Over the useful economic life of the improvement

Leasehold enhancement

- Over the economic life of the asset

Plant and Equipment

- Plant 10% on cost and Equipment 25% on cost

Computer equipment

- 25% on cost

Furniture and fittings

- 4% - 25% on cost variable according to the expected useful life

Motor vehicles

- 25% on cost

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. Where the calculated depreciation charge is a material figure, it is charged in these financial statements but, where the carrying value is not more than the estimated recoverable amount and the depreciation on the building is not material to these financial statements, it has been assessed, but not charged on the basis that it is not material. The directors will continue to carry out assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

No depreciation is provided for in respect of investment properties in accordance with Section 16 of FRS102. Such properties are held for their investment potential and not for consumption within the business. Investment properties are stated at their fair value at the balance sheet date.

Denstone College exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

k) **Financial Instruments**

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

l) **Investments and Fees in Advance Investments**

Investments and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Realised and unrealised investment gains and losses are recognised as 'net gains/(losses) on investment assets' in the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

m) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

n) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

o) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months.

p) **Fund Accounts**

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity. Endowment funds are further sub-divided into permanent and expendable, where required by the terms of the trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

q) **Taxation**

Denstone College is a registered charity and as such are exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The school has a subsidiary company that is subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The tax charged to the profit and loss account is based on the subsidiary company's profit for the year and takes into account tax arising because of timing differences between the treatment of certain items for tax and accounting purposes.

The subsidiary company distributes the majority of its profits to Denstone College under Gift Aid and tax liabilities are kept to a minimum.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2022 £	2021 £
The school fees income comprises		
Gross fees	12,718,514	10,354,603
Less: Total scholarships, bursaries, etc	(1,671,726)	(1,482,317)
Add back: Scholarships, Grants etc paid for by Restricted Funds	-	-
	11,046,788	8,872,286

400 Scholarships, bursaries and other awards were paid to 353 pupils (2021: 333 awards to 304 pupils). Within this, means-tested bursaries totalling £541,470 were paid to 115 pupils (2021: £364,210 to 59 pupils)

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2022 £	2021 £
Extras	308,843	184,064
Entrance fees and registration fees	18,700	13,400
Pupil transport	336,509	258,059
Sundry other income	173,493	114,630
	837,545	570,153

4. OTHER TRADING ACTIVITIES

	2022 £	2021 £
Non-ancillary trading income		
Denstone College Enterprise company trading turnover	99,888	76,279
Rents receivable	1,184	677
Interest receivable – pupil bills	2,853	550
Other non-ancillary trading income	82,760	58,153
	186,685	135,659

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

5. INVESTMENTS - INVESTMENT INCOME

	Unrestricted	Restricted	Endowed	Total 2022	Total 2021
	£	£	£	£	£
Investment income					
Equities	-	1,490	344	1,834	9,386
Fixed interest	-	1,542	7,711	9,253	2,956
Other investments	-	131	1,229	1,360	-
	<u>-</u>	<u>3,163</u>	<u>9,284</u>	<u>12,447</u>	<u>12,342</u>

6. INVESTMENTS - BANK AND OTHER INTEREST RECEIVABLE

	Unrestricted	Restricted	Endowed	Total 2022	Total 2021
	£	£	£	£	£
Bank interest	309	-	-	309	17
	<u>309</u>	<u>-</u>	<u>-</u>	<u>309</u>	<u>-</u>

7. OTHER - GRANTS AND DONATIONS

	Unrestricted	Restricted	Endowed	Total 2022	Total 2021
	£	£	£	£	£
Government grants - CJRS	-	-	-	-	354,134
Denstone College Foundation	24,800	22,224	-	47,024	169,920
Old Denstonians	-	70,000	-	70,000	-
Smallwood Manor Sale Donation	1,363,284	-	-	1,363,284	-
Profit on Sale of Fixed Assets	350	-	-	350	400
	<u>1,388,434</u>	<u>92,224</u>	<u>-</u>	<u>1,480,658</u>	<u>524,454</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

8. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Support costs £	Depreciation (note 13) £	Total 2022 £	Total 2021 £
Costs of raising funds					
Non ancillary trading	71,472	107,925	4,375	183,772	141,875
Financing cost (note 9)	-	103,579	-	103,579	49,496
Investment management	-	2,733	-	2,733	2,522
Fundraising and development	-	3,600	-	3,600	2,150
Total cost of generating funds	71,472	217,837	4,375	293,684	196,043
Charitable expenditure					
Teaching	5,369,336	781,751	75,234	6,226,321	5,305,552
Welfare	699,271	474,899	-	1,174,170	927,141
Premises	834,017	1260,227	310,333	2,404,577	1,968,738
School administration	1,017,442	829,056	-	1,846,498	1632,375
Grants awards and prizes (note 8b)	-	9,282	-	9,282	9,946
Movement in pension recovery plan	-	-	-	-	33,056
Governance	-	1,927	-	1,927	2,093
Education and grant making	7,920,066	3,357,142	385,567	11,662,775	9,878,901
Total Expenditure	7,991,538	3,574,979	389,942	11,956,459	10,074,944

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

8. ANALYSIS OF EXPENDITURE (Continued)

b) Grants, awards and prizes

Denstone College makes awards to individual families to support schooling.

	2022 £	2021 £
From Endowed Funds:		
Other grants and awards	9,282	-
From Restricted Funds:		
Other grants and awards	-	-
Prizes and leaving awards	-	-
From Unrestricted Funds:		
Other grants and awards	-	-
Prizes and leaving awards	-	9,946
	9,282	9,946

c) Total resources expended include:

Denstone College reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. No governors were reimbursed during the year (2021: No trustees were reimbursed in 2021).

	2022 £	2021 £
Remuneration paid to auditor for audit services	24,116	36,971
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	389,942	327,622
- held under finance leases and hire purchase contracts	-	-
(Profit) on disposal of fixed assets	(350)	(400)
Operating lease rentals:		
- land and buildings	-	-
- other assets	160,860	104,775
Reimbursement of personal expenses to governors	-	-

9. FINANCING COSTS

	2022 £	2021 £
Bank interest payable	50,907	185
Other interest payable	-	-
Fees In Advance debt financing costs	20,206	30,627
Pension Scheme financing cost	2,401	-
Bank charges	17,152	16,612
Provision for bad and doubtful debts	12,913	2072
	103,579	49,496

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

10. STAFF COSTS

	2022 £	2021 £
The aggregate payroll costs for the year were:		
Wages and salaries	6,420,569	5,449,646
Social security costs	656,216	523,559
Other pension costs	914,669	809,125
Private medical insurance	84	172
	7,991,538	6,782,502

Included in staff costs are redundancy or termination payments totalling £24k (2021: £16k).

None of the governors received remuneration or other benefits from Denstone College or from any connected body.

The Head and Bursar are classed by the school as being the Key Management Personnel.

	2022 £	2021 £
Aggregate employee benefits of key management personnel	334,816	301,631

The number of higher paid employees whose annual emoluments were £60,000 or more was:

	2022 No	2021 No
£60,001 - £70,000	5	5
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	0	1
£100,001 - £110,000	1	0

The number with retirement benefits accruing:
- in Defined Contribution schemes was

	5	1

Of which the contributions amounted to

	£52,490	£0

- in Defined Benefit schemes was

	3	7

Of which the contributions amounted to

	£46,453	£116,700

For 2022 there are zero (2021: zero) employees earning over £60,000 per year that have chosen not to participate in a pension scheme.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

10. STAFF COSTS (Continued)

The average number of employees during the year calculated on a head count basis, was 241 (2021: 207)

	2022 No	2021 No
Teaching	99	85
Welfare	32	31
Premises	37	35
Support	68	52
Other activities	5	4
	241	207

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £4,251 were awarded to children of directors attending the school (2021: £2,719).

12. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

13. TANGIBLE FIXED ASSETS

Group and company	Freehold Land & Buildings £	Freehold Improvements £	Leasehold Land & Buildings £	Under Construction £	Plant & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost								
At 1 st September 2021	9,463,106	-	-	1,662,878	1,021,297	671,376	38,345	12,857,002
Additions	327,906	-	-	1,671,166	51,836	1,599	34,963	2,087,470
Disposals	-	-	-	-	(25,009)	-	(21,095)	(46,104)
Transfers	1,812,233	-	-	(1,843,273)	21,346	9,694	-	-
At 31st August 2022	11,603,245	-	-	1,490,771	1,069,470	682,669	52,213	14,898,368
Depreciation								
At 1 st September 2021	1,812,330	-	-	-	746,499	598,565	38,345	3,195,739
Charge for the year	223,664	-	-	-	86,010	75,501	4,767	389,942
Disposals	-	-	-	-	(25,009)	-	(21,095)	(46,104)
At 31st August 2022	2,035,994	-	-	-	807,500	674,066	22,017	3,539,577
Net book value at 31st August 2022	9,567,251	-	-	1,490,771	261,970	8,603	30,196	11,358,791
Net book value at 31 st August 2021	7,650,776	-	-	1,662,878	274,798	72,811	-	9,661,263

All assets are used for charitable purposes.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

14. INVESTMENTS

	Investments 2022 £	2021 £
Group investments		
At 1 September	452,355	376,823
Reinvested income	12,447	266
Amounts extracted	(9,282)	-
Investment management fees	(2,733)	(3,045)
Realised gains on investments	652	34,104
Unrealised gains/(losses) on investments	(18,261)	24,721
Movement in uninvested cash	-	19,486
Group investments at 31 August	435,178	452,355
Investment in subsidiaries	100	100
Company investments at 31 August	435,278	452,455
Investments comprise:		
Listed investments		
Fixed interest	94,684	114,620
Equities	282,842	279,895
Unlisted investments		
Other	31,790	31,712
Cash	25,862	26,128
Group investments at 31 August	435,178	452,355
Investment in subsidiaries	100	100
Company investments at 31 August	435,278	452,455

Denstone College owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England/Wales. Further details are provided in note 31.

The main Investments and Fees in Advance Scheme Investments deposits are managed for Denstone College by Cazenove Capital. All investments are managed and held in the UK.

Holdings at the year-end comprising more than 5% of the total are:

iShares Core FTSE UCITS ETF	5.1%
Man GLG Income Fund	15.3%
iShares PLC-S&P 500 UCITS ETF	11.4%
Fidelity Global Dividend Fund	12.0%
Atlas Global Infrastructure Fund	5.0%
Robeco BP Global Premium Equities	9.2%
Schroder Sterling Corporate	5.1%
iShares Core GBP Corp Bond	9.9%
Vontobel Fund SICAV – TwentyFour	6.0%
Schroder Diversified Alternative	7.1%

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

15. PROPERTY INVESTMENTS

We do not hold any property investments

16. DEBTORS

	Group 2022 £	2021 £	Company 2022 £	2021 £
School fees receivable	47,833	99,655	47,833	99,655
Trade debtors	13,199	42,977	2,600	-
Other debtors	315,836	7,736	308,257	7,736
Prepayments and accrued income	132,193	163,276	128,804	162,337
Amounts due from subsidiary company	-	-	-	203,296
	509,061	313,644	487,494	473,024

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

17. CREDITORS: amounts falling due within one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	101,282	1,260,000	101,282	1,260,000
Deposits from parents	39,040	44,608	39,040	44,608
Fees received from parents in advance of term	2,213,022	1,480,960	2,213,022	1,480,960
Trade creditors	145,397	445,234	144,685	442,448
Taxation and social security	167,421	227,330	155,564	216,751
Other creditors	541,609	142,628	240,093	121,182
Fees in Advance Scheme	320,321	466,383	320,321	466,383
Accruals	486,027	478,078	474,842	442,567
Deferred income	348	-	-	-
	4,014,467	4,545,221	3,688,849	4,474,899

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

18. CREDITORS: amounts falling due after one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	1,817,812	-	1,817,812	-
Deposits from parents	266,945	247,994	266,945	247,994
Fees in Advance Scheme	169,138	352,862	169,138	352,862
	2,253,895	600,856	2,253,895	600,856

19. BANK LOAN

	2022 £	2021 £
The bank loan is repayable in instalments		
Due after 5 years	1,384,180	-
Due within 2 to 5 years	329,851	-
Due within 1 to 2 years	103,781	-
Due after more than one year	1,817,812	-
Due within 1 year	101,282	1,260,000
	1,919,094	1,260,000

Denstone College has a bank loan from Lloyds Bank Plc for the Prep renovations, which is secured by charges on the school's assets. A commercial loan was utilised to fund the first stage of the new Prep, on an interest-only basis until March 2022. This loan converted to include capital repayment from March 2022 and is repayable over 15 years. This can be seen in the timing of repayments in the table above.

20. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2022 £	2021 £
After 5 years	-	-
Within 2 to 5 years	67,547	91,073
Within 1 to 2 years	101,591	261,789
Due after more than one year	169,138	352,862
Within 1 year	320,321	466,383
	489,459	819,245

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

20. FEES IN ADVANCE SCHEME (Continued)

Summary of movements in liability	£
Balance at 1 September 2021	819,245
New contracts	192,373
Repayments	(23,354)
Amounts used to pay fees	(498,805)
Balance at 31 August 2022	489,459

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

21. COMMITMENTS UNDER OPERATING LEASES

The future minimum commitments under non-cancellable operating leases are:

	2022 £	2021 £
Within 1 year	132,898	145,991
Within 1 to 5 years	-	-
After 5 years	85,757	198,454
	<u>218,655</u>	<u>344,445</u>

22. SHARE CAPITAL

	2022 £	2021 £
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

23. FUNDS

Denstone College's funds are analysed under the following headings:

a) ENDOWED FUNDS

Special Endowment

The Special Endowment funds of the company include a number of individual trust and prize funds set up by donors as permanent capital. The income generated is restricted to funding scholarships, bursaries, grants and prizes.

b) RESTRICTED FUNDS

The benefit fund is held in trust by the Woodard Corporation to assist former pupils by contributing towards the school fees of their children or dependents or in such a manner (being exclusively charitable) as the Trustees consider for their benefit. The fund has been built up by voluntary contributions. The College Council has power to determine on behalf of the Trustees which pupils shall receive benefit and the nature and extent of such benefit. The purpose is to provide financial support to pupils whose family circumstances would otherwise prevent them from attending the College.

c) UNRESTRICTED FUNDS

Unrestricted funds represent accumulated income from the school's activities and other sources that are available for the general purposes of the school.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted £	Restricted £	Endowed £	Total 2022 £	Total 2021 £
Tangible fixed assets	11,358,791	-	-	11,358,791	9,661,263
Investments	31,617	120,565	282,996	435,178	452,355
Fees in Advance Scheme	(489,459)	-	-	(489,459)	(819,245)
Net current (liabilities)/assets	(1,549,233)	92,224	-	(1,457,009)	(2,846,937)
Long term liabilities	(2,141,557)	-	-	(2,141,557)	(331,856)
	7,210,159	212,789	282,996	7,705,944	6,115,580

Charity	Unrestricted £	Restricted £	Endowed £	Total 2022 £	Total 2021 £
Tangible fixed assets	11,336,917	-	-	11,336,917	9,661,263
Investments	31,617	120,565	282,996	435,178	452,355
Fees in Advance Scheme	(489,459)	-	-	(489,459)	(819,245)
Net current (liabilities)/assets	(1,529,340)	92,224	-	(1,437,116)	(2,847,935)
Long term liabilities	(2,141,557)	-	-	(2,141,557)	(331,856)
	7,208,178	212,789	282,996	7,703,963	6,114,582

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

25. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 Sept 2021 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	At 31 August 2022 £
Endowed - Expendable						
Revaluation Reserves	60,531	-	-	-	-	60,531
Scholarships, bursary & prizes	274,505	9,284	(11,223)	(47,983)	(2,118)	222,465
	335,036	9,284	(11,223)	(47,983)	(2,118)	282,996
Restricted Funds						
Revaluation Reserves	38,384	-	-	-	-	38,384
Scholarships, bursary & prizes	135,885	95,387	(792)	(40,584)	(15,491)	174,405
	174,269	95,387	(792)	(40,584)	(15,491)	212,789
Unrestricted Funds						
General Reserve	5,690,137	13,459,761	(11,971,506)	88,567	-	7,266,959
Pension Reserve	(83,862)	-	27,062	-	-	(56,800)
	5,606,275	13,459,761	(11,944,444)	88,567	-	7,210,159
Total Funds	6,115,580	13,564,432	(11,956,459)	-	(17,609)	7,705,944

Note 24 provides details of the individual funds. -

26. CAPITAL COMMITMENTS

At 31 August 2022, the group had capital commitments as follows:

	2022 £	2021 £
Expenditure contracted for but not provided in the accounts	68,491	193,166

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

27. PENSION SCHEMES

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,006k (2021: £1,027k) and at the year-end £0 (2021 - £0) 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 underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government has 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.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

27. PENSION SCHEMES (Continued)

TPT Retirement Solutions - The Growth Plan Deficit Contributions

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £131m.

A further actuarial valuation for the scheme was carried out at 20 July 2021. This actuarial valuation showed the funding level had improved to 96% (from 86% as at 30 September 2017), and the deficit had reduced to £31.6m (from £131m in 2017).

To eliminate this revised funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme follows:

From 1 April 2022 to 31 January 2025:	£11k per annum deficit recovery contribution (payable monthly) plus £12k plan expenses contribution (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the employer has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Royal London - Defined Contribution Pension Scheme

On 1st January 2022 the Royal London pension scheme was opened to newly recruited teachers in place of the Teachers' Pension scheme and has also been made available to our existing teachers as an alternative option to the Teachers' Pension Scheme. As this scheme is solely a defined contribution scheme there are no scheme liabilities to report.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

27. PENSION SCHEMES (Continued)

Present Values of Provision	2022 £000's	2021 £000's
Present value of provision	57	84
Reconciliation of opening and closing provisions	2022 £000's	2021 £000's
Provision at 1 September	84	152
Unwinding of the discount factor	-	-
Deficit contribution paid	(27)	(33)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	(35)
Provision at 31 August	57	84

Income and expenditure impact	2022 £	2021 £
Interest expense	-	-
Unwinding of the discount factor	-	-
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Contributions paid in respect of future service *	-	-
Costs recognised in income and expenditure account	-	-

Assumptions	2022 % per annum	2021 % per annum
Rate of discount	0.55	0.55

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Deficit Contributions Schedule

The following schedule shows the deficit contributions agreed between the company and the scheme at each year end period:

	2022 £000's	2021 £000's
Year 1	24	29
Year 2	24	22
Year 3	9	23
Year 4	-	9

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

27. PENSION SCHEMES (Continued)

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

28. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2022 £	2021 £
Net income for the period (as per the Statement of Financial Activities)	1,590,364	98,792
Adjustments for		
Depreciation charges	389,942	327,622
Losses/(gains) on investments	14,444	(58,825)
Dividends, interest, and rents from investments	(12,447)	(12,359)
Financing costs	103,579	49,496
Investment Management Fee	2,733	2,522
(Profit) on the sale of fixed assets	(350)	(400)
Decrease in stocks	27,320	14,671
(Increase) in debtors	(195,417)	(69,751)
Increase in creditors	436,129	187,613
Net cash provided by (used in) operating activities	2,356,297	539,380

29. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand and at bank	1,642,929	805,790
Total cash and cash equivalents	1,642,929	805,790

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

30. ANALYSIS OF CHANGES IN NET DEBT

	At 1 st Sept 2021	Cash flows	Other non-cash changes	At 31 st Aug 2022
	£	£	£	£
Cash and cash equivalents				
Cash	805,790	837,139	-	1,642,929
	<u>805,790</u>	<u>837,139</u>		<u>1,642,929</u>
Borrowings				
Loans falling due within one year	(1,260,000)	1,158,718	-	(101,282)
Loans falling due after more than one year	-	(1,817,812)	-	(1,817,812)
	<u>(1,260,000)</u>	<u>(659,094)</u>	<u>-</u>	<u>(1,919,094)</u>
Total	<u>(454,210)</u>	<u>178,045</u>	<u>-</u>	<u>(276,165)</u>

31. SUBSIDIARIES

The Company owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England/Wales (Company number: 05181951). This company carries out trading activity on behalf of the school including commercial letting and sales from the school's tuck shop which also includes sportswear sales.

Denstone College Enterprises Limited had a turnover of £230k (2021: £189k), gross profit of £8k (2021: £25k), and a profit before tax and gift aid of £1k in the year ended 31 August 2022 (2021: profit of £21k). At 31 August 2022 the company had shareholder's funds of £100 (2021: £100).

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

32. Consolidated Statement of Financial Activities – Comparative figures by fund type

Year Ended 31 August 2021	Unrestricted £	Restricted £	Endowed £	Total £
Income and endowments from Charitable activities				
School fees receivable	8,872,286	-	-	8,872,286
Ancillary trading income	457,778	-	-	457,778
Other trading activities				
Non-ancillary trading income	58,682	-	-	58,682
Investments				
Investment income	-	3,402	8,940	12,342
Bank and other interest	6	-	-	6
Voluntary sources				
Grants and donations	515,643	28,861	-	544,504
Other incoming resources	400	-	-	400
Total Incoming Resources	9,904,795	32,263	8,940	9,945,998
Expenditure on:				
Raising funds				
Non ancillary trading	-	-	-	-
Other income generating activities	-	-	-	-
Financing costs	47,856	-	-	47,856
Investment management	-	736	1,786	2,522
Fundraising and development	2,150	-	-	2,150
Total Deductible Costs	50,006	736	1,786	52,528
Charitable activities				
Education and grant making	9,845,560	-	8,940	9,854,500
Total resources expended	9,895,566	736	10,726	9,907,028
Net gains/(losses) on investment assets	-	9,056	49,769	58,825
Net income/(expenditure)	9,229	40,583	47,983	97,795
Transfers between funds	-	-	-	-
Other recognised gains/(losses)				
Pension scheme actuarial gains/(losses)	67,892	-	-	67,892
Net movement in funds for the year	77,121	40,583	47,983	165,687
Fund balances at 1 st September	5,528,156	133,686	287,053	5,948,895
Fund Balances at 31st August	5,605,277	174,269	335,036	6,114,582

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

33. CONTINGENT LIABILITIES

The Company has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2019. As of this date the estimated employer debt for the Company was £516,791, including Series 3 liabilities.

34. ULTIMATE CONTROLLING PARTY

The Woodard Corporation Limited is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of Denstone College Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

35. RELATED PARTIES

As stated in note 34, Denstone College Limited is a wholly owned subsidiary of The Woodard Corporation. An amount of £61,255 (2021: £50,913) was paid during the year to Woodard Corporation by way of a levy to meet running costs.

The company also controls a subsidiary trading company, Denstone College Enterprises Limited (DCEL). An amount of £994 (2021: £21,447) was given by DCEL to the company by gift aid. Other transactions between the two companies totalling £300,521 (2020: £203,296) comprised: salary costs; costs of purchases made by the company on behalf of DCEL; and items from the School Shop charged to pupil bills.

During the year we made payments totalling £76k to Ainsley & Partners. A Director of the College holds a 50% equity share in Ainsley & Partners. The payment relates to professional fees associated with the prep school project.

36. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

37. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

Pension scheme deficit reduction payments

As explained at note 27, there is a deficit reduction plan in place in respect of Denstone College's membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Pension scheme contingent liability

As explained at note 33, there is a contingent liability in the event that Denstone College were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Provision for bad debts

Estimating amounts to provide against recovery of debts is a matter of judgement.

Depreciation, impairment and residual values of fixed assets

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates for depreciation, and for matters of impairment.

DENSTONE COLLEGE LIMITED

England & Wales - Charity number 1102588

Accounts

Charity Registration No. 1102588

Company Registration No. 05010957 (England and Wales)

DENSTONE COLLEGE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2021

DENSTONE COLLEGE LIMITED

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DENSTONE COLLEGE LIMITED

COMPANY INFORMATION

DIRECTORS AND ADVISORS

Directors

Prof. N T Ratcliffe (Chairman)
Mrs E L Bell
Mr M F Coffin
Mr A D Coley
Mr D A Cooper
Mrs J Dickson
Mrs E J Evans
Mr B W Hinton
Capt. M G Huddy
Mr C J Lewis
Mrs B McNally-Young
Mr S W Poyner (from 28th May 2021)

Charity No. Company No.

1102588
05010957

Principal Address and Registered Office

Denstone College
Uttoxeter
Staffordshire
ST14 5HN

Key Management Personnel Head

Mr M R M Norris (resigned 31st August 2021)
Miss L E Tulloch (from 1st August 2021)

Bursar Second Master

Mrs M A Walker
Mr J Hartley

Auditors

RSM UK Audit LLP
9th Floor, 3 Hardman Street, Manchester, M3 3HF

Bankers

Lloyds Bank
1 Pride Hill, Shrewsbury, SY1 1DG

Solicitors

Veale Wasborough
Narrow Quay, Bristol, BS1 4QA

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

Martin Kaye
The Foundry, Euston Way, Telford, TF3 4LY

Investment Advisers

Cazenove Capital
1 London Wall Place, London, EC2Y 5AU

Insurance Brokers

Marsh
Capital House, 1-5 Perrymount Road, Haywards
Heath, West Sussex, RH16 3SY

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

The directors present their report and financial statements for the year ended 31st August 2021 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in 2004 and is registered with the Charity Commission as charity number 1102588. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The charitable company is incorporated in the United Kingdom. Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

Note 34 provides details of connected charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The company is governed by Articles of Association as adopted by Special Resolution dated 2 July 2015 and 20 March 2013, replacing those dated 9 January 2004 amended by Special Resolution(s) dated 25 January 2006. They permit funds to be managed in such a manner as the directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the company.

Governing Body

The governors are the directors and charitable trustees of the company and comprise the governing body of Denstone College and are elected to hold office for five years. The school is governed by the governing body which operates using a number of committees. Membership of each committee is outlined on page 16. The governing body met 5 times during the year.

Recruitment and Training of Governors

All governors are Fellows of the Woodard Corporation. Fellows are responsible for electing the Woodard Corporation Board. Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The governing body look to ensure a mix of skills and select new governors on the basis of background, competence, specialist skills and, in the case of Fellows, Christian commitment. Governors are provided with induction training by the Head, Bursar and staff and a wider programme of training events is organised by the Woodard Corporation.

Where possible the governors consider that the skills and experience of the governing body should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.

One Governor may have one or more of these skills.

Volunteers

Governors are volunteers providing their time for free to support the governance of the school. The school also relies on a number of others to undertake volunteer roles including the Friends of Denstone, who help in fundraising, assist the College in events and provide help where required.

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DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2021**

Organisational Management

The school is governed by the governing body which delegates work to a number of committees. Membership of each committee is outlined on page 16. The directors determine the general policy of the company.

Compliance Committee – the Chair of Governors chairs this committee. Risk management, health and safety, GDPR, UKVI, security and inspection are agenda items. It met three times during the year.

Finance & General Purpose Committee – this committee has a remit to consider budgets, both revenue and capital, cash-flow information and financial reports, including the financial statements. It also considers financial policies and the financial regulations. Estates, building maintenance and capital development is also reviewed here. This committee makes recommendations to the governing body for approval. The Finance & General Purpose Committee met 7 times during the year.

Education Committee – the Education Committee is responsible for oversight of the academic performance of the school and educational policy, making recommendations to the governing body. It met twice during the year.

Other committees include Enterprises, Marketing and Personnel.

The day to day management of the company is delegated to the Head and the Bursar as the Key Management personnel, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration is undertaken within the policies and procedures approved by the governors which provide for only significant expenditure decisions and major capital projects to be referred to the governors for prior approval.

The Head oversees the recruitment of all educational staff, whilst under delegated authority the Bursar oversees the recruitment of administrative and non-teaching support staff. The Head and Bursar are invited to attend governors' meetings.

The remuneration of key management personnel is set by the governing body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school'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 school remains sensitive to the broader issues of pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the school's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Group Structure and Relationships

The company has a wholly owned non-charitable subsidiary, Denstone College Enterprises Limited, the activities and trading of which are described below. Note 34 provides details of connected charities.

We have a thriving alumni group, the Old Denstonians, who are generous in supporting the work of the school and whose support we greatly appreciate. We also cooperate with many local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and extend education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and principles of the Church. The Church is defined as being the Church of England and churches in full communion with the See of Canterbury.

Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education; and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They are strong Christian foundations which adhere to catholic belief as found in the Church, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain.

Aims

Denstone College is a boarding and day school for pupils from the ages of 11 to 18, in September 2021 we opened a new Prep school at the College site and have now extended our age range from 4 to 18. It aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life.

Primary objectives

The primary objectives of Denstone College to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgment and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Denstone College education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately, and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

- Further development of and support for our tutor programme.
- Embedding the work of the Head of Wellbeing
- The recruitment of Head of HR and restructure of the HR department
- Reorganisation of pastoral support including the creation of the role of Head of Lower School
- Extensive continuation of the co-curricular programme despite COVID-19 and the inevitable restrictions
- Overt celebration of pupil's achievements
- Extension of the capacity for pupil voice by altering the structure of the Student Council

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

- Regular Governor-run and school-attended committees meet and feed into Full Council, delivering constant communication, confirming compliance and ensuring active decision making in a timely manner.

Principal Activities of the Year

The principal activity of the school is the delivery of education to pupils ranging from 11 to 18 years of age. We also run a number of summer school activities and the school is open at other times for use by the local community. Pupil numbers at the school during the year were as follows:

	2020/2021		2019/2020	
Senior School	642	(148 boarders)	602	(149 boarders)
	Boys	Girls	Boys	Girls
Senior School	366	276	355	247

As of 1 September 2021 a new prep school was opened, expanding the age range of the college to 4 to 18 years of age. This brought 92 new pupils to the school post year end.

Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community. Denstonians (current and former) can reflect on our belief in Achievement, Confidence and Happiness, and the values instilled here of Honesty, Endeavour and Kindness so that they play a useful role in society, leading fulfilling and purposeful lives.

In the furtherance of these aims the Denstone College governors, as the charity trustees, have complied with the duty in s.172 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our school will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our school is a part of a wider community and we are keen that our staff and pupils participate. Our school also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our governors are committed to developing our programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of our programme are explained in the 'review of achievements and performance for the year' section of this report.

Woodard and its schools provide a significant benefit to the public. The school strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further

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detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individuals or elements of Woodard are incidental to delivery of the charitable objectives.

Concessions Including Bursaries

Our school does not have an endowment and in funding our concessions we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. Further details of our concessions policies and how to apply are available on our website at:

<https://www.denstonecollege.org/admissions/fees>

All criteria and policies relating to concessions are kept under review and are updated when necessary.

Bursaries

Bursary awards are important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In most cases the budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school.

This year the value of means tested bursaries totalled £364k (2020 £327k) and represented 3.5% (3.5%) of our gross fees. They provided assistance to 59 (59) of our pupils of which 2 (3) pupils benefited from a full remission of fees.

Scholarships

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

The school awarded scholarships to 205 (2020 195) pupils, based on their educational merit and potential, totalling £444k (£403k) and representing 4.3% (4.3%) of our gross fees. Of this number, 29 also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

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

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Investment Policy and Objectives

The company's memorandum and articles of association permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of

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attaining the objects and in a manner that is legally charitable.

Investment activities are managed in line with the requirements of the Trustee Act 2000. Our investment policy is to preserve the capital value of investments and maximise the return and income on all investments.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Impact of Coronavirus Pandemic

These accounts relate to the year to 31st August 2021, and therefore reflect the heavy financial and operational impact on the education sector, and all of society, of the Coronavirus pandemic over the last two academic years. Schools were ordered to close to all except the children of 'Key Workers' in March 2020 and much of the education was moved online. Denstone College adapted well to provision of online learning and the responses from parents were positive. Pupil numbers returning to Denstone College in September 2020 were positive, at least in part due to the success with which the school had moved to online provision. Despite the huge challenges that have been presented by COVID, the College were able to provide a rich and wide ranging level of provision, both during lockdown and when we returned to face-to-face teaching. The enormous range of opportunities offered at Denstone College reflects the integral role sport plays within College life. Denstone Sport continues to grow in success, both in terms of participation and performance at the pinnacle of school sport.

The financial impact on Denstone College has been managed and the school used all of the tools provided by government to make sure that education provision could continue, including accessing the Coronavirus Job Retention Scheme (Furlough), whilst ensuring that fees reflected the work being undertaken and education provided. We also took the decision not to raise the level of fees for 2020-21. We did reduce boarding fees by 20% for the Spring term and provided partial credits in the Spring Term for all pupils. This was done to take account of the disruption.

School Performance and Achievements

During the year we educated an average of 617 children between the ages of 11 and 18. The school offers a broad curriculum and educates children with a wide range of ability. The educational performance of the school was excellent, as demonstrated by the public examination results. The school achieved a 99% pass rate at grades 4 or above for GCSE/IGCSE, of which 64% of exams were graded 7 or higher, and at A Level 94% of grades were A to C, of which 59% of exams were graded A* to A. A large majority move on to higher education, and achieve their first choice destination. On 29th June 2021 Denstone College underwent a material change inspection to increase pupil numbers from 620 to 750.

We continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. Denstone College continued with its ambitious refurbishment programme and during 2020-21 undertook refurbishments including:

- Creation of a Prep school
- Theatre space
- School Shop

Arts, Music and Drama

One of the important elements of any Woodard school is the concentration on arts, music and drama. Denstone College is involved in all different aspects of these activities and the inter-house 'Cultural Cup' has continued to run throughout the COVID era, in a modified form where necessary.

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Despite limitations from COVID during the 2020-2021 academic year, concerts continued to be well supported by means of a virtual format, with a good number of pupils either sending in recordings from home, or being recorded onsite, for music performances available from the College website. Our main form of music-making during the academic year was through year-group-bubbled choirs and ensembles, all of which were well attended. Particular high points included a filmed Virtual Festival of Lessons and Carols, in which all seven year group choirs contributed musical numbers, a filmed Christmas Concert featuring the instrumental ensembles from each year group, a filmed Summer Concert featuring both choirs and ensembles, and finally, at the very end of term, an outdoor concert with a live audience, featuring all of the ensembles and choirs that had been in place during the year. Our final event of the year was a small bubbled choir of around 30 students singing at the outdoor Leavers' Service. The annual Denstone Young Musician of the Year was also able to take place, with over 20 participants, and recordings being submitted to adjudicators, creating a very tight competition.

Instrumental lessons continued throughout the year, including a period during January and February when lessons were successfully taught via either Zoom or Teams. ABRSM and other musical examinations continue to be popular, with a number of pupils continuing to take these exams both 'live' and virtually during the last year. Overall pass rates continue to be high, with only two unsuccessful candidates in the last year. Despite a slight COVID-inflicted reduction in overall pupil numbers taking exams, one pupil has successfully gained an ARSM qualification, and several pupils have achieved ABRSM Grade 8.

With a return to relative normality in September 2021, ensembles and choirs have restarted. These now include the Chapel Choir, Chamber Choir, Show Choir, Senior Show Choir, Orchestra, Chamber Orchestra, Big Band, and various smaller instrumental ensembles. The Chapel Choir, particularly, has bounced back very quickly after 18 months of hiatus, with membership now standing at over 60 pupils and staff. Instrumental lessons have shown an increased level of interest, and the department is now delivering over 200 individual lessons per week across the Prep and the College. All areas of music making are supported, with recent investments being made in music technology, including refurbishment of the College Recording Studio, which is in the process of being upgraded to a full Mac based system.

The Music Department is now integrated with The Prep, with the Assistant Director of Music now also acting as Head of Prep Music. In the lower years, there is now a mixed ensemble and choir of Prep and Forms 1 and 2, a Prep Chapel Choir, several instrumental groups that cater to the Prep, and we have recently held the first of a number of planned joint concerts with the Prep. The aim is to ensure good transition of Prep musicians into the senior school, as well as extending musical provision for pupils at the Prep.

Similarly, for obvious reasons, the drama provision spanning September 2020 to July 2021 was somewhat unique due to COVID, but we offered a great deal:

In December 2020, we produced, *You Shall Go To The Ball*. Albeit we had to work around numerous social distancing rules and often rehearse on Teams, 20 amazing members of the U6 worked hard throughout the Michaelmas Term to produce a Very Denstonian Pantomime - 'Cinder-Ella!' This was a show that lifted everyone's spirits at the end of what had been a difficult term and emphasised what resilient, focused and talented students we have: Denstonians are not spectators. There was all the usual fairy-tale magic, madness and mishap you might associate with a panto, as well as music and dancing, and lots of comedy! This was streamed to the entire school in the last week of term and made available to parents, family and friends.

Also in December 2020, we produced a show entitled the L6th Drama Showcase. Students worked in their year-group bubble on a medley of contemporary, classical and musical theatre and shared their talents in a live performance to a small internal audience of their peers.

During the period of lockdown in Lent 2021, the Drama Department moved online, using Teams and Zoom to create practical opportunities for our Junior, Middle and Senior students to keep their creative juices flowing. In Middle and Senior drama, the focus was on vocational aspects of drama that may be

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of use to our budding professionals. We looked at audition techniques and how to select audition monologues. We had a workshop with Robert Marsden, Head of performance and media at Staffordshire University. We had guest speakers and professional actors Perry Moore, Robert Emms and Eliot Salt all offering advice and discussion on being on a professional stage and film set. And to follow, the students learned about the different training routes open to actors, such as drama school, universities and National Youth Theatre, culminating in the chance to follow a professional voice workshop led by a National Youth Theatre voice coach. Additionally, many of our Middle and Senior students used activity slots to rehearse 1-1 on Zoom with our dedicated drama tutors, preparing audition material for National Youth Theatre, and drama school.

The Junior School Students enjoyed the same interviews with our guest speakers and the same Professional Voice Workshop, but they also took part in some creative practical activities on Zoom – aimed at developing skills, characterisation and confidence.

On our return to school in March, those taking GCSE and A Level were also still able to perform a variety of different productions as a part of their curriculum assessments. And alongside the extra-curricular performances these were again supported by the pupil Tech Team, who continue to impress with their practices in lighting and sound.

In the Summer Term of 2021, members of the 2nd Form produced a fabulous adaptation of 'Alice in Wonderland'. This was performed for their year group and made available on DVD for family and friends. And in the same term, members of the 3rd Form produced the long awaited and spectacular The Lion, The Witch and The Wardrobe. Again, this was performed for their year group and made available on DVD for family and friends.

The College introduced LAMDA in 2020 and this has continued to be a success. 40 pupils are studying for LAMDA qualifications and we have a waiting list. All 28 pupils who sat LAMDA exams in December 2020 received either a Merit or a Distinction. All 29 who sat LAMDA exams in June 2021 also received either a Merit or a Distinction.

Opportunities are provided for pupils of all ages, both on stage and behind the scenes in wardrobe, stage management, or on the technical sound and lighting side. There are regular theatre and music trips, particularly but not exclusively for drama and music students, which will become more frequent again, in the post-COVID era.

Sport

Despite the huge challenges that have been presented by COVID, the College were able to provide a rich and wide ranging level of provision, both during lockdown and when we returned to face-to-face teaching. The enormous range of opportunities offered at Denstone College reflects the integral role sport plays within College life. Denstone Sport continues to grow in success, both in terms of participation and performance at the pinnacle of school sport.

The Michaelmas Term was, admittedly, a very disappointing period for the rugby programme and for our first full-time Director of Rugby, given the lack of fixtures possible due to COVID. That said, rugby practice ran throughout the Michaelmas term and we even managed to play some fixtures during the Summer term. We continue to have the highest number of boys from one school in the Leicester Tigers U18 Academy.

Hockey is growing in popularity at a dramatic rate. We currently have 3 boys and 4 girls in the England Hockey Player Pathway, attending the England Hockey Midlands Performance Centres (PC). We are now running more teams than ever, with at least four senior teams, and C and D teams in some year groups. Our recent hockey pre-season was twice as long as previous years with attendance up by more than 150%.

The College has continued to develop its cricket programme in both participation and performance. We have developed even stronger links with Staffordshire and Derbyshire. Girls are increasingly involved,

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with seven girls representing the College in the Junior age groups and one on the England Performance Pathway. We had a very strong season in 2021 with our Junior sides reaching all four Staffordshire Schools Cup Finals, and winning three of them.

The standard of, and interest in, tennis has risen dramatically over the past few years and has led to the building of new courts and a growing fixture list. Teams are now being entered into the National AEGON championships, both genders, as well as competing in the Derby Club League. Our tennis coach is now providing four afternoons of coaching all year round, as well as the Denstone College Tennis Academy that take place on a Monday evening.

In netball, we regularly field 19 teams and have improved the quality of our fixture lists due to the amount of girls wanting to represent the College. We have also improved the quality of our netball coaching provision as the sport grows in popularity, with both training and matches now taking place in the Michaelmas and Lent Terms.

Lacrosse also continues its popularity. We have 2 teams at 1st and U15 age groups. Some of the girls also train alongside the City of Stoke Lacrosse Club one evening a week and also play in fixtures for the Stoke Ladies team. One girl has been selected for U15 and U18 Shropshire County Lacrosse and is currently on the England Lacrosse Talent Development Pathway.

Athletic Development at Denstone continues to be an industry leader with regular visits from other schools. We have specialist coaches running an impressive strength and conditioning routine to run alongside pupil opportunities in the cardiovascular (CV) gym. Demand for access to the Performance Centre has tended to exceed supply, so we have just recruited our second AD coach.

Of all our sports, golf is growing most quickly with almost a 100% increase in the numbers taking part in the last academic year. There have been a significant number of tournaments and matches with a growing number of boys and girls taking up the opportunity to be members of the Denstone College Golf Club. We are very excited about our golf moving forward.

Community

Through development of, and provision of access to, our facilities, Denstone College remains at the heart of the community. Facilities, which are offered at times free of charge or at rates below commercial levels, that are made open to the public include:

- Our all-weather cricket nets that are made available to both local senior and junior clubs, often along with coaching to participants.
- Our swimming pool, which is made available to local swimming clubs and for use by local primary and middle schools. In addition to swimming lessons for our secondary age pupils, we provide 'Learn to Swim' teaching lessons for local children aged between 2.5 and 12 years, with over 300 participating, although naturally these were curtailed for periods of the year due to COVID.
- The Sports Hall is made available for local groups across various sports and leisure activities (COVID-permitting).
- Our sports pitches are used in regular fixtures against local schools in a variety of sports, with the outside community also able to use these facilities. Various youth groups and child sports clubs enjoy evening sessions, particularly on our floodlit all-weather pitch.
- We regularly host county, and indeed regional, hockey, rugby and cricket matches and trials, including some national cricket trials at various age levels.
- Although external audiences to indoor school events were not possible for most of this academic year, the local community are usually welcome to attend our Carols by Candlelight and other Chapel services and our drama and musical performances, either in the theatre or Chapel, are open to members of the village community, upon request, and we have been pleased to move back to the norm as we have moved into academic year 2021-22.
- The College allows some 80 associate members from the local community to enjoy our golf course facilities, although naturally there were times during the academic year 2020-21 when the course was closed by law, due to the lockdown.
- Local primary and prep schools make use of our classroom, art and science blocks together with our teaching resource as part of their own curriculum development.
- Subject to the necessary permissions, we can host wedding ceremonies and receptions.

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- In normal times, through our Enterprise Company, we provide our facilities to children and adults in various sport and general activity groups during the school holidays.

Other Activities undertaken in the Community

These include the many that benefit from the fundraising efforts of our pupils and staff, and from volunteer work locally and further afield. The Choir have regularly sung at a local nursing home and pupils involved in the 'Everyone Can Help Someone' activity have also visited another local nursing home before COVID struck – a practice to which we hope eventually to return. Members of the College CCF contingent meet with local Army, Air Training and Sea Cadets in competition. Local cadet forces and Uttoxeter Rifle Club use the outdoor range. Pupils embarking on their Duke of Edinburgh Awards have regularly visited the elderly and help with local projects. Our Directors of Rugby and Hockey are in regular contact with local clubs. We continue to value our links with the local community and make facilities available to them.

Outreach

The College had significantly increased its outreach and partnership work in the two years before COVID. Many initiatives were unavoidably put on paused in 2020-21, although it was possible to maintain others.

We continue to extend our classroom teaching provision to some Lower and Upper 6th Form pupils from Painsley Catholic College in Cheadle and Thomas Alleyne's High School in Uttoxeter, who came to Denstone College for some of their Music and French classes. We also work in partnership with Painsley to provide placements for PGCE students, waiving the associated payment due to us from Painsley: we provided two such placements in 2020-21. Before COVID, pupils from local state schools are invited to various free UCAS, Careers and Oxbridge preparation sessions and staff from local state schools have been regularly invited to INSET at the College, free of charge. This is something we are looking to reinstate post-COVID.

Many students undertake community based projects as part of their DofE Awards and other general charitable activities. We have also in the past hosted free coaching sessions for various local rugby clubs, including in previous academic years, Ashbourne, Burton and Mansfield Rugby Clubs. These weren't possible in 2020-21 due to COVID, but we are now looking once again to reinstate these and to extend similar opportunities to hockey clubs.

The charity is continuing to develop wider community links and widening educational access to their facilities, both on free terms and at fee rates below commercial levels.

Wider Experiences

There were many fewer school trips in 2020-21, due to COVID. However, there were a range of boarders' trips when COVID allowed, within the local area, and a little further afield in the Summer Term. The programme of trips for the academic year 2021-22 is already much closer to the normal pre-COVID list, exciting, inspiring and offering a broad range of experience for our pupils.

Combined Cadet Force (CCF), Duke of Edinburgh (DofE) Awards and Outdoor Pursuits

From 4th Form upwards, all pupils have the opportunity to join the CCF, which has an Army and RAF section within the contingent. Currently over 120 students take part in the CCF. They enter many Brigade-run competitions and were winners of the CCF Cadet Skills at Arms Meeting and overall best CCF in the Cadet Target Rifle Competition. One of our cadets was also the best shot from all the cadets who attended. In normal times, the CCF runs a Field Day exercise every term at Swynnerton or Leek military training areas and attends an annual camp during the summer holidays, although unfortunately the Summer Camp had to be cancelled in July 2021 for reasons associated with COVID. This is a week-long and can be anywhere in the country, and are run by the Cadet Training Team and held at current military bases, with regular Army or RAF instructors. Denstone College CCF is regarded as one of the

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

best contingents within the brigade area and is well staffed with 8 Officers, drawn from the teaching staff.

DofE remains a big part of the activities programme. Over 70 pupils take part in Bronze award, 50 Silver and over 30 are aiming to complete Gold. Completion rates are improving, especially at Bronze and Silver. 6 staff ensure the delivery of the syllabus to the students and help with the provision of the expeditions in holidays and over the exeat. Due to COVID restrictions easing, all missed expeditions have taken place and we are now back on the normal timetable for expeditions in the future. ODs, parents and ex staff as well as current staff are qualified as expedition assessors which helps to keep the costs down for the expedition section.

Outdoor pursuits continue to thrive at Denstone. The Sunday climbing club is well supported with maximum numbers of pupils working towards their NICAS and NIBAS awards. All 2nd Form will begin to take part in the NICAS scheme in the activities programme from Lent term. Last year, there were insufficient numbers to run a trip to Exeter to experience off grid living and being involved in ecological and environmental projects, largely due to understandable parental caution due to COVID. In Summer 2022, it is hoped that with year groups able to combine we should be able to take over 20 to experience this opportunity.

Mountain biking trips will also recommence and hopefully a climbing trip will run within the UK for the Sunday Climbers at Easter.

Charitable Activities

As well as chapel collections, students take part in a wide range of sponsored events and fundraising activities. They are given the opportunity to nominate often local beneficiaries and this year, monies raised from home clothes days have been donated to a variety of organizations, including The British Legion, the RNIB, Alzheimer's Research UK, The Alzheimer's Society, Oddballs and Cancer research UK. Another example of such work would be the annual harvest and Christmas food bank collection, which pupils and staff enthusiastically support.

Fundraising Performance

This year in fundraising we ran an Easter campaign to raise funds for bursaries and the new Prep school. Grants and donations totalled £160k.

Investment Performance Against Objectives

The College does not undertake any investment in quoted securities either for unrestricted funds or the Advanced Fees Scheme. Investment in quoted securities is limited to our restricted and endowed funds and these are managed through the Woodard Corporation.

Key Performance Indicators

The Key Performance Indicators (KPIs) used by the school were:

KPI	Target	Actual
Surplus	A net nil budget due to COVID restrictions	£167k (including £59k investment gains, £68k pension fund deficit revaluation, £40k operating surplus)
Pupil Numbers	610	Average 617
Total salaries to net fees	75% of net fees	76%

Statement on Brexit

Following the outcome of the UK referendum on European Union membership, the UK left the European

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2021**

Union on 31st January 2020. In preparation for this date, and in anticipation of the transition period, the school reviewed operations to understand and plan for the initial impact from Brexit. Guidance was also available from a number of sources including the Independent Schools Bursars Association. At this stage it is not possible to implement comprehensive policies for all possible changes as the future trade, visa and travel agreements are not yet in place. The school will continue to work with relevant authorities, staff, parents and suppliers to fully understand the impact in all areas including particularly visa requirements, the supply chain and data handling and protection, in order to minimise risk and potential disruption.

FINANCIAL REVIEW

Results for the Year

The net incoming resources for the year amounted to £10.1m of which the operating surplus on school activities was £40k. We further benefited from a net gain in our investments of £59k and benefitted from a revaluation of a pension fund deficit revaluation of £68k. Our total surplus was £167k. The operating surplus was in line with our target. This surplus has been achieved against a background of COVID interruptions, we consider it a highly satisfactory achievement.

Our trading company continues to hire out Denstone College facilities during vacations and school hours, as well as undertaking commercial activity on behalf of the school and externally. The company contributed £21k to the school's operating surplus. Group total funds increased by £167k for the year, including revaluations.

The parents of our pupils often make significant sacrifices to pay the fees. In doing so they help to relieve the state of the financial burden of educating 623 UK based children. The saving is estimated to have a value in the last year of £4.1m. The school is also unable to recover the VAT on purchases it makes. During the past year, Denstone College has paid an estimated £354k in irrecoverable VAT on goods and services.

In addition to the very substantial benefits our school brings to our pupils, the local community and society through the education we offer, our bursary programme and scholarships create social asset without cost to the Exchequer.

Denstone College provides pensions to some staff. There are two schemes, as in prior years, detailed in note 27.

Reserves Level and Policy, and Financial Viability

Denstone College's policy is to retain sufficient unrestricted income reserves to enable the company to continue to meet its short-term financial obligations in the event of an unexpected revenue shortfall. To meet this policy, the school aims to make and retain an overall surplus of approx.3% in the short term to build up free reserves.

The balance sheet contains a number of non-cash and longer-term liabilities, including those related to pensions. These items are excluded from consideration of the available reserves. Unrestricted funds increased by £78k to total £5,606k, as shown in note 25. Denstone College plans to fund longer term capital expenditure and meet long term liabilities through careful management of resources and investments and through building reserves through operations and trading. The company's unrestricted reserves are primarily invested in tangible fixed assets which are all used for its direct charitable activities.

In common with most independent schools, and due to the having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total reserves of £6.1m at the year-end included £0.34m of endowed funds, £0.17m of restricted funds and £5.6m unrestricted designated funds. Denstone College also reserves for £84k of pension-funding deficit. Fixed assets held for charity use totalled £9.6m (£8.4m 2020), leaving free reserves of £-4m (2020: £-2.9m) at the year-end. This year we have had capital expenditure of £1.7m (shown within assets 'under construction' in note 13) for the new Prep school which was largely funded through a bank loan of which £1.26m was drawn down in the year. The school's financial viability does

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The school does not have, and cannot rely on, permanent endowments.

PRINCIPAL RISKS AND UNCERTAINTIES

These financial statements were compiled during the Covid 19 global pandemic, shortly after the majority of the restrictions on daily living had been relaxed, and after a vaccine was identified and delivered to the majority of the adult population. Like most trustees, the governors keep under consideration the impact of a catastrophic event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below is therefore reflective of a more stable environment and does not specifically look at the pandemic, or other similar events, but offers a wider view of common events plus a specific risk looking at those events that could impact the continuity of education.

The governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. The school has increased its' pupil numbers, but there is no room for complacency. The governing body, therefore, decided last year to hold static the fees in September 2020. For September 2021 the governing body has increased fees by 5%. Health and Safety is always a significant area for risk management. The risks range from fire and damage to infrastructure, to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The governing body is responsible for the identification and management of risks. The major risks to which the charity is exposed, as identified by the directors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the Executive Officers and the process is overseen by the Compliance Committee on behalf of the governing body. A formal review of the risk management processes is undertaken annually.

The principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the governors consider possible catastrophic events and ensure that the school has a plan in place to allow education to continue in a range of different scenarios
- the market in which the school operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our school
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the school meets expectations
- the school operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools Council also ensure that we have access to up-to-date information and support
- the school operates in an increasingly litigious environment, and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic conditions and directors and senior managers in the school keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues

The key controls used by the school include:

- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

Financial risk management objectives and policies

The school uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The main issues arising from the group's financial instruments are liquidity risk and interest rate risk.

The school's directors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from our bank.
- Interest rate risk – the school finances operations through a mixture of retained surpluses and use of a bank facility. The exposure to interest rate fluctuations is managed by day to day monitoring and securing a fixed rate for the Prep school commercial loan.

GOING CONCERN

As at 31 August 2021, the group was in a strong balance sheet position, with net assets of £6.1m (2020: £5.9m). The governing body is aware however that net current liabilities stand at £3.3m (2020: net current liabilities of £2.0m); included within creditors less than one year are fees in advance, which will be taken to income during 2021-22.

There are also two points to note in regards to the opening of the Prep school in September 2021, after the date of these accounts. A commercial loan was utilised to fund the first stage of the new Prep, on an interest-only basis until March 2022. This loan will convert to include capital repayment from March 2022. Smallwood Manor Preparatory School Limited sold the property in September 2021 and donated £1.36m to Denstone College Limited, without restrictions, expressing a preference that the funds are utilised to enhance the new Prep school. These funds were immediately placed into a savings account whilst plans are firmed up for phase 2 of the Prep project.

The governing body has reviewed the impact of the global pandemic on school operations and finances. In the year to 31st August 2021, the financial impact was mitigated through use of the various elements of support provided by the Government including the Coronavirus Job Retention Scheme (furlough scheme). The governing body recognise that the financial implications in 2020-21 brought about as a result of the pandemic will continue into 2021-22, and possibly beyond, and continues to rework plans for the coming year, to ensure the financial impact on the school continues to be mitigated in the most appropriate way. Having considered all factors and reviewing the available evidence, the directors have a reasonable expectation that Denstone College will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies in note 1.

FUTURE PLANS

The governing body's current five-year strategic plan includes the following key objectives:

1. Opening a Prep School for children aged 4 to 11 in September 2021.
2. To increase and expand boarding to further enhance the school community.
3. Post COVID, to reinvigorate our fundraising activities.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

4. To widen access to the schools still further through the provision of means-tested bursaries by establishing a budget focused on hardship and improving management of awards.

DIRECTORS

The directors who served during the year, and the committees of which they are members, are:

Prof N T Ratcliffe (Chairman)		Finance & General Purpose, Education, Marketing, Compliance, Personnel, Fundraising, Remuneration. Also invited to attend other committees in his capacity as Chair.
Mrs E L Bell		Education, Compliance, Personnel
Mr M F Coffin		Finance & General Purpose, Fundraising
Mr A D Coley		Finance & General Purpose, Enterprise
Mr D A Cooper		Finance & General Purpose, Education, Compliance
Mrs J Dickson		Compliance, Safeguarding, Fundraising
Mrs E Evans		Finance & General Purpose, Marketing, Enterprise
Mr B W Hinton		Education, Marketing, Safeguarding, Personnel, IT, Fundraising, Enterprise
Capt. M Huddy		Finance & General Purpose, Compliance, Safeguarding, IT, Fundraising,
Mr C J Lewis		Finance & General Purpose, Marketing, Credit, Enterprise
Mrs B McNally-Young		Personnel, IT
Mr J S F Cash	Resigned 13/10/20	Premises, Compliance
Mrs M M Amos	Resigned 28/02/21	Finance & General Purpose

None of the directors has any beneficial interest in the company.

Denstone College buys trustees and officers insurance on behalf of the directors.

AUDITORS

RSM UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) **YEAR ENDED 31ST AUGUST 2021**

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting 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 and group will continue in business.

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Approved by the Board of Directors of Denstone College on 22 December 2021 including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Prof N T Ratcliffe
CHAIR
22 December 2021

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2021

Opinion

We have audited the financial statements of Denstone College Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent 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 have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the incorporated Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 Statement of Directors' responsibilities set out on page 17, 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 Directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2021

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

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

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

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities.

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

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

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

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED *YEAR ENDED 31ST AUGUST 2021*

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.

RSM UK Audit LLP

DALE THORPE (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

10 January 2022

DENSTONE COLLEGE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2021 £	Total 2020 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	8,872,286	-	-	8,872,286	8,391,692
Ancillary trading income	3	570,153	-	-	570,153	557,683
Other trading activities						
Non-ancillary trading income	4	135,659	-	-	135,659	113,220
Investments						
Investment income	5	-	3,402	8,940	12,342	12,846
Bank and other interest	6	17	-	-	17	130
Other – Grants and donations						
Grants and donations	7	495,193	28,861	-	524,054	552,802
Other incoming resources		400	-	-	400	-
TOTAL INCOMING RESOURCES	25	10,073,708	32,263	8,940	10,114,911	9,628,372
Expenditure on:						
Raising funds						
Non-ancillary trading	8	141,875	-	-	141,875	129,894
Financing costs	9	49,496	-	-	49,496	60,733
Investment management		-	736	1,786	2,522	2,429
Fundraising and development		2,150	-	-	2,150	20
TOTAL DEDUCTIBLE COSTS		193,521	736	1,786	196,043	193,076
Charitable Activities						
Education and grant making	8	9,869,961	-	8,940	9,878,901	9,650,629
TOTAL EXPENDITURE		10,063,482	736	10,726	10,074,944	9,843,705
Net gains/(losses) on investment assets	14	-	9,056	49,769	58,825	(34,758)
Net income/(expenditure)		10,226	40,583	47,983	98,792	(250,091)
Transfers between funds		-	-	-	-	-
Other recognised gains/(losses)						
Pension scheme actuarial gains	27	67,892	-	-	67,892	-
Net Movement in funds for the year		78,118	40,583	47,983	166,685	(250,091)
Fund balances at 1st September		5,528,157	133,686	287,053	5,948,895	6,198,986
FUND BALANCES AS AT 31ST AUGUST		5,606,275	174,269	335,036	6,115,580	5,948,895

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 25 to 53 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2021 £	Total 2020 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	8,872,286	-	-	8,872,286	8,391,692
Ancillary trading income	3	457,778	-	-	457,778	451,161
Other trading activities						
Non-ancillary trading income	4	58,682	-	-	58,682	58,383
Investments						
Investment income	5	-	3,402	8,940	12,342	12,846
Bank and other interest	6	6	-	-	6	78
Other – Grants and donations						
Grants and donations	7	515,643	28,861	-	544,504	552,898
Other incoming resources		400	-	-	400	-
TOTAL INCOMING RESOURCES	25	9,904,795	32,263	8,940	9,945,998	9,467,058
Expenditure on:						
Raising funds						
Non-ancillary trading	8	-	-	-	-	-
Other income generating activities		-	-	-	-	-
Financing costs	9	47,856	-	-	47,856	53,292
Investment management		-	736	1,786	2,522	2,429
Fundraising and development		2,150	-	-	2,150	20
TOTAL DEDUCTIBLE COSTS		50,006	736	1,786	52,528	55,741
Charitable Activities						
Education and grant making	8	9,845,560	-	8,940	9,854,500	9,626,649
TOTAL EXPENDITURE		9,895,566	736	10,726	9,907,028	9,682,391
Net gains/(losses) on investment assets	14	-	9,056	49,769	58,825	(34,758)
Net income/(expenditure)		9,229	40,583	47,983	97,795	(250,091)
Transfers between funds						
Other recognised gains/(losses)						
Pension scheme actuarial gains	27	67,892	-	-	67,892	-
Net Movement in funds for the year		77,121	40,583	47,983	165,687	(250,091)
Fund balances at 1st September		5,528,156	133,686	287,053	5,948,895	6,198,986
FUND BALANCES AS AT 31ST AUGUST		5,605,277	174,269	335,036	6,114,582	5,948,895

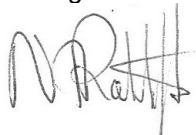
All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 25 to 53 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2021

	Note	Group 2021 £	2020 £	Charity 2021 £	2020 £
FIXED ASSETS					
Tangible assets	13	9,661,263	8,403,902	9,661,263	8,403,902
Investments	14	452,355	376,823	452,355	376,923
		10,113,618	8,780,725	10,113,618	8,780,825
CURRENT ASSETS					
Stock		112,567	127,238	-	-
Debtors	15	313,644	243,893	473,024	456,668
Cash at bank and in hand		805,790	647,358	687,557	496,323
		1,232,001	1,018,489	1,160,581	952,991
CURRENT LIABILITIES					
Creditors payable within one year	16	(4,545,221)	(3,067,599)	(4,474,899)	(3,003,377)
NET CURRENT ASSETS/(LIABILITIES)		(3,313,220)	(2,049,110)	(3,314,318)	2,050,386
TOTAL ASSETS LESS CURRENT LIABILITIES		6,800,398	6,731,615	6,799,300	6,730,439
LONG TERM LIABILITIES					
Creditors payable after one year	17	(600,856)	(630,865)	(600,856)	(630,865)
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY		6,199,542	6,100,750	6,198,444	6,099,574
Net pension liability	27	(83,862)	(151,754)	(83,862)	(151,754)
NET ASSETS		6,115,680	5,948,996	(6,114,582)	5,947,820
REPRESENTED BY:					
CALLED UP SHARE CAPITAL	22	100	100	100	100
ENDOWED FUNDS	25	335,036	287,053	335,036	287,053
RESTRICTED FUNDS	25	174,269	133,686	174,269	133,686
UNRESTRICTED FUNDS					
General reserve	25	5,606,275	5,528,157	5,605,177	5,526,981
		6,115,680	5,948,996	6,114,582	5,947,820

The financial statements were approved and authorised for issue by the Board on 22 December 2021 and signed on its behalf by:



Prof N T Ratcliffe
CHAIR

DENSTONE COLLEGE LIMITED

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2021

Company registration number 05010957

The notes on pages 25 to 53 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST AUGUST 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	28	539,380	850,879
Cash flows from investing activities:			
Dividends, interest and rents from investments		12,359	12,976
Proceeds from the sale of property, plant and equipment		400	-
Purchase of property, plant and equipment		(1,584,983)	(94,083)
Proceeds from sale of investments		(19,229)	300
Net cash used in investing activities		(1,591,453)	(80,807)
Cash flows from financing activities:			
Repayments of borrowing		-	(262,242)
Cash inflows from new borrowing		1,260,000	-
Financing costs		(49,496)	(60,733)
Net cash provided by / (used in) financing activities		1,210,504	(322,975)
Change in cash and cash equivalents in the year		158,431	447,097
Cash and cash equivalents at the beginning of the year		647,357	200,261
Cash and cash equivalents at the end of the year	29	805,790	647,358

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) **Basis of Accounting**

The accounts of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

Denstone College meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 36, and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£).

b) **Going Concern**

The accounts have been prepared on a going concern basis. The Denstone College Board reviews the financial information for the company and the group and considers whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts.

Having considered all factors and reviewing the available evidence, including the income and expenditure analysis and cashflow forecasts for the period through to August 2022, having confirmed bank facilities in place until February 2022 (with directors agreeing a further extension of the facility to February 2023) the directors have a reasonable expectation that the company group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis.

c) **Group Accounts**

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Entities are consolidated where Denstone College exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

d) **School Fees Receivable and Similar Income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

e) **Ancillary and Non-Ancillary Trading Income**

Ancillary trading income represents amounts from activities to generate funds within the

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

charitable objects, for example school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

f) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. 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 at the value to the school in case of donated services or facilities.

g) Coronavirus Job Retention Scheme (CJRS) Income

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the organisation with no future related costs. It is recognised as income in the period in which it becomes receivable within 'Other – Grants and Donations' (note 7).

h) Expenditure

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy. The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

i) Finance and Other Costs

Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

j) Pension Costs

The school company participates in the Teachers' Pensions scheme, which is an unfunded government scheme, which provide benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes.

The company offers membership of the Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth is a multi-employer pension scheme where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion which is similar to a defined contribution scheme.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in notes 27 and 32.

k) Tangible Fixed Assets and Depreciation

In accordance with Section 35.10 (d) of FRS102, Denstone College has elected to use the

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Where tangible fixed assets have been acquired with the aid of specific grants they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Freehold land is not depreciated

Freehold Buildings:	- Variable according to the building and written off over the expected useful life (see paragraph below)
Leasehold enhancement	- Over the economic life of the asset
Plant and Equipment	- Plant 10% on cost and Equipment 25% on cost
Computer equipment	- 25% on cost
Telephone system	- 10% on cost
Fixtures and fittings	- 4% - 25% on cost variable according to the expected useful life
Motor vehicles	- 25% on cost

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. Where the calculated depreciation charge is a material figure, it is charged in these financial statements but, where the carrying value is not more than the estimated recoverable amount and the depreciation on the building is not material to these financial statements, it has been assessed, but not charged on the basis that it is not material. The directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

No depreciation is provided for in respect of investment properties in accordance with Section 16 of FRS102. Such properties are held for their investment potential and not for consumption within the business. Investment properties are stated at their fair value at the balance sheet date.

Denstone College exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

l) Financial Instruments

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

Denstone College has a bank loan from Lloyds Bank Plc. The loan is for the Prep school renovations and is secured by charges on the school's assets.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

m) **Investments and Fees in Advance Investments**

Investments and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Realised and unrealised investment gains and losses are recognised as 'net gains/(losses) on investment assets' in the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

n) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

o) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

p) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet date.

q) **Fund Accounts**

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity. Endowment funds are further sub-divided into permanent and expendable, where required by the terms of the trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

r) **Taxation**

Denstone College is a registered charity and as such are exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The school has a subsidiary company that is subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The tax charged to the profit and loss account is based on the subsidiary company's profit for the year and takes into account tax arising because of timing differences between the treatment of certain items for tax and accounting purposes.

The subsidiary company distributes the majority of its profits to Denstone College under Gift Aid and tax liabilities are kept to a minimum.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2021 £	2020 £
The school fees income comprises		
Gross fees	10,354,603	9,450,429
Less: Total scholarships, bursaries, etc.	(1,482,317)	(1,070,696)
Add back: Scholarships, Grants etc. paid for by Restricted Funds	-	11,959
	8,872,286	8,391,692

333 scholarships, bursaries and other awards were paid to 304 pupils (2020: 331 awards to 292 pupils). Within this, means-tested bursaries totalling £364,210 were paid to 59 pupils (2020: £326,934 to 58 pupils)

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2021 £	2020 £
Extras including pupil transport	442,123	422,560
Entrance fees and registration fees	13,400	22,809
Fees in lieu of notice	2,255	5,793
Rent receivable and related income	-	-
Commissions and related income	-	-
Sundry other income	112,375	106,521
	570,153	557,683

4. OTHER TRADING ACTIVITIES

	2021 £	2020 £
Non-ancillary trading income		
Denstone College Enterprise company trading turnover	76,279	53,094
Rents receivable	677	1,426
Interest receivable – pupil bills	550	3,574
Other non-ancillary trading income	58,153	55,126
	135,659	113,220

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

5. INVESTMENTS - INVESTMENT INCOME

	Unrestricted	Restricted	Endowed	Total 2021 £	Total 2020 £
	£	£	£		
Investment income					
Equities	-	1,936	7,450	9,386	11,144
Fixed interest	-	1,466	1,490	2,956	1,591
Other investments	-	-	-	-	111
	<u>-</u>	<u>3,402</u>	<u>8,940</u>	<u>12,342</u>	<u>12,846</u>

6. INVESTMENTS - BANK AND OTHER INTEREST RECEIVABLE

	Unrestricted	Restricted	Endowed	Total 2021 £	Total 2020 £
Bank interest	17	-	-	17	130
	<u>17</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>130</u>

7. OTHER - GRANTS AND DONATIONS

	Unrestricted	Restricted	Endowed	Total 2021 £	Total 2020 £
Grants to Denstone College for bursaries from: Government grants - CJRS	354,134	-	-	354,134	473,063
Other Grants and donations	141,059	28,861	-	169,920	86,464
Profit/(Loss) on Sale of Fixed Assets	400	-	-	400	(6,725)
	<u>495,593</u>	<u>28,861</u>	<u>-</u>	<u>524,454</u>	<u>552,802</u>

Coronavirus Job Retention Scheme (CJRS) income

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the schools with no future related costs. It is recognised in income in the period in which it becomes receivable.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

8. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Support costs £	Depreciation (Note 13) £	Total 2021 £	Total 2020 £
Costs of raising funds					
Non ancillary trading – Denstone College Enterprises Ltd - Lettings	15,809	126,066	-	141,875	129,894
Other income generating activities					
Financing cost (note 9)	-	49,496	-	49,496	60,733
Investment management	-	2,522	-	2,522	2,429
Fundraising and development	-	2,150	-	2,150	20
Total cost of generating funds	15,809	180,234	-	196,043	193,076
Charitable expenditure					
Teaching	4,595,801	610,329	99,422	5,305,552	5,361,758
Welfare	645,589	281,552	-	927,141	882,910
Premises	677,130	1,063,408	228,200	1,968,738	1,815,026
School administration & shop	848,173	784,202	-	1,632,375	1,548,279
Grants awards and prizes (note 8b)	-	9,946	-	9,946	12,832
Movement in pension recovery plan (note 27)	-	33,056	-	33,056	5,489
Governance	-	2,093	-	2,093	24,335
Education and grant making	6,766,693	2,784,586	327,622	9,878,901	9,650,629
Total Expenditure	6,782,502	2,964,820	327,622	10,074,944	9,843,705

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

8. ANALYSIS OF EXPENDITURE (Continued)

b) Grants, awards and prizes

Denstone College makes awards to individual families to support schooling.

	2021 £	2020 £
From Endowed Funds:		
Other grants and awards	-	9,682
From Unrestricted Funds:		
Prizes and leaving awards	9,946	3,150
	9,946	12,832

c) Total resources expended include:

Denstone College reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. No trustees were reimbursed during the year. (2020: No trustees were reimbursed in 2020).

	2021 £	2020 £
Remuneration paid to auditor for audit services	36,971	19,000
Remuneration paid to auditor for non-audit services	-	-
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	327,622	352,606
(Profit)/loss on disposal of fixed assets	(400)	-
Operating lease rentals:		
- other assets	104,775	
Cost of stock/inventories recognised as an expense in the period	123,696	78,201

9. FINANCING COSTS

	2021 £	2020 £
Bank interest payable	185	5,141
Fees In Advance debt financing costs	30,627	25,895
Pension Scheme financing cost		2,775
Bank charges	16,612	12,012
Other finance costs		811
Provision for bad and doubtful debts	2,072	14,099
	49,496	60,733

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

10. STAFF COSTS

	2021 £	2020 £
The aggregate payroll costs for the year were:		
Wages and salaries	5,449,646	5,554,243
Social security costs	523,559	534,965
Other pension costs	809,125	834,436
Private medical insurance	172	(142)
	<u>6,782,502</u>	<u>6,923,502</u>

Included in staff costs are redundancy or termination payments totalling £16k (2020: £61k).

None of the governors received remuneration or other benefits from Denstone College or from any connected body.

The Headmaster, Bursar and Second Master are classed by the school as being the Key Management Personnel.

	2021 £	2020 £
Aggregate employee benefits of key management personnel	<u>301,631</u>	<u>327,376</u>

The number of higher paid employees whose annual emoluments were £60,000 or more was:

	2021 No	2020 No
£60,001 - £70,000	5	5
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
The number with retirement benefits accruing:		
- in Defined Contribution schemes was	1	1
Of which the contributions amounted to	£0	£0
- in Defined Benefit schemes was	7	7
Of which the contributions amounted to	£116,700	£109,172

For 2021 there are zero (2020: zero) employees earning over £60,000 per year that have chosen not to participate in a pension scheme.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

10. STAFF COSTS (Continued)

The average number of employees during the year calculated on a head count basis was 207 (2020: 223).

	2021 No.	2020 No.
Teaching	85	84
Welfare	31	39
Premises	35	38
Support	52	57
Other activities	4	5
	207	223

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £2,719 were awarded to children of directors attending the school (2020: £2,583).

12. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

13. TANGIBLE FIXED ASSETS

Group and company	Freehold Land & Buildings £	Under Construction £	Plant & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 st September 2020	9,463,106	77,896	1,021,297	671,376	38,345	11,272,019
Additions	-	1,584,982	-	-	-	1,584,982
At 31st August 2021	9,463,106	1,662,878	1,021,297	671,376	38,345	12,857,002
Depreciation						
At 1 st September 2020	1,660,189	-	672,236	499,143	36,549	2,868,117
Charge for the year	152,141	-	74,263	99,422	1,796	327,622
At 31st August 2021	1,812,330	-	746,499	598,565	38,345	3,195,739
Net book value at 31st August 2021	7,650,776	1,662,878	274,798	72,811	-	9,661,263
Net book value at 31 st August 2020	7,802,917	-	349,061	172,233	1,796	8,326,007

All assets are used for charitable purposes.

Finance leases and hire purchase contracts

The College had no finance leases or hire purchase obligations.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

14. INVESTMENTS

	Investments	
	2021 £	2020 £
Group investments		
At 1 September	376,823	414,533
New money invested	-	-
Reinvested income	266	-
Amounts extracted	-	-
Investment management fees	(3,045)	(2,952)
Realised gains/(losses) on investments	34,104	-
Unrealised gains/(losses) on investments	24,721	(34,758)
Movement in uninvested cash	19,486	-
Group investments at 31 August	452,355	376,823
Investment in subsidiaries	100	100
Company investments at 31 August	452,455	376,923
Investments comprise:		
Listed investments		
Fixed interest	114,620	118,428
Equities	279,895	247,465
Unlisted investments		
Land and buildings		
Other	31,712	-
Cash	26,128	10,930
Group investments at 31 August	452,355	376,823
Investment in subsidiaries	100	100
Company investments at 31 August	452,455	376,923

Denstone College owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England/Wales. Further details are provided in note 30.

The main Investments and Fees in Advance Scheme Investments deposits are managed for Denstone College by Cazenove Capital. All investments are managed and held in the UK.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

Holdings at the year-end comprising more than 5% of the total are:

iShares Core FTSE UCITS ETF	13.7%
Man GLG Income Fund	15.9%
iShares PLC-S&P 500 UCITS ETF	10.7%
Fidelity Global Dividend Fund	12.0%
Robeco BP Global Premium Equities	8.7%
Schroder Sterling Corporate	6.4%
iShares Core GBP Corp Bond	12.3%
Vontobel Fund SICAV – TwentyFour	6.4%
Schroder Diversified Alternative	6.9%

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

15. DEBTORS

	Group 2021 £	2020 £	Company 2021 £	2020 £
School fees receivable	99,655	13,932	99,655	13,932
Trade debtors	42,977	35,543		35,372
Other debtors	7,736	38,101	7,736	38,101
Prepayments and accrued income	163,276	149,218	162,337	149,218
Tax recoverable	-	3,314	-	-
Amounts due from subsidiary company	-	-	203,296	216,261
Amounts due from parent company	-	3,784	-	3,784
	313,644	243,892	473,024	456,668

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

16. CREDITORS: amounts falling due within one year

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	1,260,000	-	1,260,000	-
Deposits from parents	44,608	116,014	44,608	116,014
Fees received from parents in advance of term	1,480,960	702,501	1,480,960	702,501
Trade creditors	445,234	662,052	442,448	605,994
Taxation and social security	227,330	496,704	216,751	496,704
Other creditors	142,628	142,832	121,182	136,074
Fees in Advance Scheme	466,383	838,433	466,383	838,433
Accruals	478,078	109,063	442,567	107,657
	4,545,221	3,067,599	4,474,899	3,003,377

Denstone College has a bank loan from Lloyds Bank Plc. The loan is for the Prep renovations and is secured by charges on the school's assets. It is due to be replaced in March 2022 with a fixed rate loan repayable over 15 years.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

17. CREDITORS: amounts falling due after one year

	Group 2021 £	2020 £	Company 2021 £	2020 £
Deposits from parents	247,994	150,260	247,994	150,260
Fees in Advance Scheme	352,862	480,605	352,862	480,605
	<u>600,856</u>	<u>630,865</u>	<u>600,856</u>	<u>630,865</u>

18. BANK LOAN

	2021 £	2020 £
Due within 1 year	1,260,000	-
	<u>1,260,000</u>	<u>-</u>

19. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2021 £	2020 £
Within 2 to 5 years	91,073	190,123
Within 1 to 2 years	261,789	290,482
	<u>352,862</u>	<u>480,605</u>
Due after more than one year		
Within 1 year	466,383	838,433
	<u>819,245</u>	<u>1,319,038</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

20. FEES IN ADVANCE SCHEME (Continued)

Summary of movements in liability	£
Balance at 1 September 2020	1,319,038
New contracts	282,605
Amounts used to pay fees	(782,398)
Balance at 31 August 2021	819,245

20. FINANCE LEASE OBLIGATIONS

The College had no finance lease obligations

21. COMMITMENTS UNDER OPERATING LEASES

The future minimum commitments under non-cancellable operating leases are:

	2021 £	2020 £
Within 1 year	145,991	90,579
Within 1 to 5 years	198,454	188,297
	344,445	278,876

22. SHARE CAPITAL

	2021 £	2020 £
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

23. FUNDS

Denstone College's funds are analysed under the following headings:

a) ENDOWED FUNDS

Special Endowment

The Special Endowment funds of the company include a number of individual trust and prize funds set up by donors as permanent capital. The income generated is restricted to funding scholarships, bursaries, grants and prizes.

b) RESTRICTED FUNDS

The benefit fund is held in trust by the Woodard Corporation to assist former pupils by contributing towards the school fees of their children or dependents or in such a manner (being exclusively charitable) as the Trustees consider for their benefit. The fund has been built up by voluntary contributions. The College Council has power to determine on behalf of the Trustees which pupils shall receive benefit and the nature and extent of such benefit. The purpose is to provide financial support to pupils whose family circumstances would otherwise prevent them from attending the College.

c) UNRESTRICTED FUNDS

Unrestricted funds represent accumulated income from the school's activities and other sources that are available for the general purposes of the school.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted £	Restricted £	Endowed £	Total 2021 £	Total 2020 £
Tangible fixed assets	9,661,263	-	-	9,661,263	8,403,902
Securities Investments	-	130,994	321,361	452,355	376,823
Fees in Advance Scheme investments	(819,245)	-	-	(819,245)	(1,319,038)
Net current (liabilities)/assets	(2,903,887)	43,275	13,675	(2,846,937)	(1,210,777)
Long term liabilities	(331,856)	-	-	(331,856)	(302,014)
	5,606,275	174,269	335,036	6,115,580	5,948,896

Charity	Unrestricted £	Restricted £	Endowed £	Total 2021 £	Total 2020 £
Tangible fixed assets	9,661,263	-	-	9,661,263	8,403,902
Securities Investments	-	130,994	321,361	452,355	376,923
Fees in Advance Scheme investments	(819,245)	-	-	(819,245)	(1,319,038)
Net current (liabilities)/assets	(2,904,885)	43,275	13,675	(2,847,935)	(1,212,053)
Long term liabilities	(331,856)	-	-	(331,856)	(302,014)
	5,605,277	174,269	335,036	6,114,582	5,947,720

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

25. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 Sept 2020 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	At 31 August 2021 £
Endowed - Expendable						
Revaluation Reserves	60,532	-	-	-	49,769	110,301
Scholarships, bursary & prize	226,521	8,940	(10,726)	-	-	224,735
	287,053	8,940	(10,726)	-	49,769	335,036
Restricted Funds						
Revaluation Reserves	38,384	-	-	-	9,056	47,440
Prep school donations	-	28,861	-	-	-	28,861
Scholarships, bursary & prize	95,302	3,402	(736)	-	-	97,968
	133,686	32,263	(736)	-	9,056	174,269
Unrestricted Funds						
General Reserve	5,528,156	10,073,708	(10,063,482)	-	67,892	5,606,275
	5,528,156	10,073,708	(10,063,482)	-	67,892	5,606,275
Share Capital	100	-	-	-	-	100
Total Funds	5,948,995	10,114,911	(10,074,944)	-	126,717	6,115,680

26. CAPITAL COMMITMENTS

At 31 August 2021, the group had capital commitments as follows:

	2021 £	2020 £
Expenditure contracted for but not provided in the accounts	193,166	-

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

27. PENSION SCHEMES

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,027k (2020: £1,057k) and at the year-end £0 (2020 - £502k) 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 underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June 2021 on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

27. PENSION SCHEMES (Continued)

TPT Retirement Solutions - The Growth Plan Deficit Contributions

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £131m.

A further actuarial valuation for the scheme was carried out at 20 July 2021. This actuarial valuation showed the funding level had improved to 96% (from 86% as at 30 September 2017), and the deficit had reduced to £31.6m (from £131m in 2017).

To eliminate this revised funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 31 March 2022:	£33k per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2022 to 31 January 2025:	£11k per annum deficit recovery contribution (payable monthly) plus £12K plan expenses contribution (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the employer has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

27. PENSION SCHEMES (Continued)

Present Values of Provision	2021 £000's	2020 £000's
Present value of provision	84	152
Reconciliation of opening and closing provisions	2021 £000's	2020 £000,s
Provision at 1 September	152	181
Unwinding of the discount factor	-	2
Deficit contribution paid	(33)	(32)
Remeasurements - impact of any change in assumptions	-	1
Remeasurements - amendments to the contribution schedule	(35)	-
Provision at 31 August	84	152

Income and expenditure impact	2021 £000's	2020 £000's
Interest expense	-	2
Unwinding of the discount factor	-	-
Remeasurements - impact of any change in assumptions	-	1
Remeasurements - amendments to the contribution schedule	-	-
Contributions paid in respect of future service *	-	-
Costs recognised in income and expenditure account	-	-

Assumptions	2021 % per annum	2020 % per annum
Rate of discount	0.55	0.55

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Deficit Contributions Schedule

The following schedule shows the deficit contributions agreed between the company and the scheme at each year end period:

	2021 £000,s	2020 £000,s
Year 1	29	33
Year 2	22	34
Year 3	23	35
Year 4	9	36
Year 5	-	15
Year 6	-	-
Year 7	-	-
Year 8	-	-
Year 9	-	-
Year10	-	-

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

27. PENSION SCHEMES (Continued)

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

28. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2021 £	2020 £
Net income for the period (as per the Statement of Financial Activities)	98,792	(250,091)
Adjustments for		
Depreciation charges	327,622	352,606
(Gains)/losses on investments	(58,825)	34,758
Dividends, interest, and rents from investments	(12,359)	(12,976)
Financing costs	49,496	60,733
Investment Management Fee	2,522	2,952
Loss/(profit) on the sale of fixed assets	(400)	6,725
(Increase)/decrease in stocks	14,671	(36,784)
(Increase)/decrease in debtors	(69,751)	450,532
Increase/(decrease) in creditors	187,613	242,323
Net cash provided by (used in) operating activities	539,380	850,879

29. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	805,790	647,358
Total cash and cash equivalents	805,790	647,358

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

30. SUBSIDIARIES

The Company owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England/Wales (Company number: 05181951). This company carries out trading activity on behalf of the school including commercial letting and sales from the school's tuck shop which also includes uniform.

Denstone College Enterprises Limited had a turnover of £189k (2020: £161k), gross profit of £25k (2020: £3k), and a profit before tax and gift aid of £21k in the year ended 31 August 2021 (2020: profit of £0.1k). At 31 August 2021 the company had shareholder's funds of £100 (2020: £100).

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

31. Consolidated Statement of Financial Activities – Comparative figures by fund type

Year Ended 31 August 2020	Unrestricted	Restricted	Endowed	Total
	£	£	£	£
Income and endowments from Charitable activities				
School fees receivable	8,391,692	-	-	8,391,692
Ancillary trading income	557,683	-	-	557,683
Other trading activities				
Non-ancillary trading income	113,220	-	-	113,220
Investments				
Investment income	-	3,163	9,683	12,846
Bank and other interest	130	-	-	130
Voluntary sources				
Grants and donations	552,802	-	-	552,802
Other incoming resources				
Total Incoming Resources	9,615,526	3,163	9,683	9,628,372
Expenditure on:				
Raising funds				
Non ancillary trading	129,894	-	-	129,894
Other income generating activities	-	-	-	-
Financing costs	60,733	-	-	60,733
Investment management	-	1,904	525	2,429
Fundraising and development	20	-	-	20
Total Deductible Costs	190,647	1,904	525	193,076
Charitable activities				
Education and grant making	9,640,946	-	9,683	9,650,629
Total resources expended	9,831,593	1,904	10,208	9,843,705
Net gains/(losses) on investment assets	-	(6,225)	(28,533)	(34,758)
Net income/(expenditure)	(216,067)	(4,966)	(29,058)	(250,091)
Transfers between funds	-	-	-	-
Other recognised gains/(losses)				
Pension scheme actuarial gains/(losses)	-	-	-	-
Net movement in funds for the year				
Fund balances at 1 st September	5,744,223	138,652	320,174	6,198,986
Fund Balances at 31st August	5,528,156	133,686	287,053	5,948,895

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

32. CONTINGENT LIABILITIES

The Company has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2019. As of this date the estimated employer debt for the Company was £516,791, including Series 3 liabilities.

33. ULTIMATE CONTROLLING PARTY

The Woodard Corporation Limited is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of Denstone College Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

34. RELATED PARTIES

As stated in note 33, Denstone College Limited is a wholly owned subsidiary of The Woodard Corporation. An amount of £50,913 (2020: £45,303) was paid during the year to Woodard Corporation by way of a levy to meet running costs.

The company also controls a subsidiary trading company, Denstone College Enterprises Limited (DCEL). An amount of £21,447 (2020: £96) was given by DCEL to the company by gift aid. Other transactions between the two companies totalling £203,296 (2020: £138,598) comprised: salary costs; costs of purchases made by the company on behalf of DCEL; and items from the School Shop charged to pupil bills.

During the year we made payments totalling £151k to Ainsley & Partners. A Director of the College holds a 50% equity share in Ainsley & Partners. The payment relates to professional fees associated with the prep school project.

35. POST BALANCE SHEET EVENTS

In September 2021 the College opened a Prep school on the College site expanding the age range of the College to 4 – 18 years, this follows the closure on 31st August 2021 of the Woodard Prep School based at Smallwood Manor. The governors of Smallwood Manor have made a donation of £1.36m to the College from the proceeds of the sale of the former Prep School site.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

36. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

Pension scheme deficit reduction payments

As explained at note 27, there is a deficit reduction plan in place in respect of Denstone College's membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Pension scheme contingent liability

As explained at note 32, there is a contingent liability in the event that Denstone College were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Provision for bad debts

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

Depreciation, impairment and residual values of fixed assets

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates for depreciation, and for matters of impairment.

DENSTONE COLLEGE LIMITED

England & Wales - Charity number 1102588

Accounts

Charity Registration No. 1102588

Company Registration No. 05010957 (England and Wales)

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

DENSTONE COLLEGE LIMITED

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DENSTONE COLLEGE LIMITED

COMPANY INFORMATION

DIRECTORS AND ADVISORS

Directors

Prof. N T Ratcliffe (Chairman)
Mr K P Threlfall (Chairman) resigned 4.7.2020
Mrs M M Amos
Mrs E L Bell
Mr J S F Cash
Mr M F Coffin
Mr A D Coley
Mr D A Cooper
Mrs J Dickson
Mrs E J Evans
Mr B W Hinton
Capt. M G Huddy
Mr C J Lewis
Mrs B McNally-Young
1102588

Charity No.

Company No.

Principal Address and Registered Office

05010957
Denstone College
Uttoxeter
Staffordshire
ST14 5HN

Key Management Personnel

Head

Bursar

Second Master

Mr M R M Norris
Mrs M A Walker
Mr J Hartley

Auditors

RSM UK Audit LLP
9th Floor, 3 Hardman Street, Manchester, M3 3HF

Bankers

Lloyds Bank
1 Pride Hill
Shrewsbury
SY1 1DG

Solicitors

Veale Wasborough
Narrow Quay
Bristol
BS1 4QA

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

Martin Kaye
The Foundry
Euston Way
Telford
TF3 4LY

Investment Advisers

UBS Wealth Management (UK) Limited
WC House
London, EC1 3BY

DENSTONE COLLEGE LIMITED

COMPANY INFORMATION

Insurance Brokers

Marsh
Capital House
1 to 5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2020**

The directors present their report and financial statements for the year ended 31 August 2020 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in 2004 and is registered with the Charity Commission as charity number 1102588. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The charitable company is incorporated in the United Kingdom. Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

Note 34 provides details of connected charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The company is governed by Articles of Association as adopted by Special Resolution dated 2 July 2015 and 20 March 2013, replacing those dated 9 January 2004 amended by Special Resolution(s) dated 25 January 2006. They permit funds to be managed in such a manner as the directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the company.

Governing Body

The governors are the directors and charitable trustees of the company and comprise the governing body of Denstone College and are elected to hold office for five years. The school is governed by the governing body which operates using a number of committees. Membership of each committee is outlined on page 4. The governing body met four times during the year.

Recruitment and Training of Governors

All governors are Fellows of the Woodard Corporation. Fellows are responsible for electing the Woodard Corporation Board. Governors are recruited on the basis of nominations and selected when a post becomes available. The governing body look to ensure a mix of skills and select new governors on the basis of background, competence, specialist skills and, in the case of Fellows, Christian commitment. Governors are provided with induction training by the Head, Bursar and staff and a wider programme of training events is organised by the Woodard Corporation.

Where possible the governors consider that the skills and experience of the governing body should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.

One Governor may have one or more of these skills.

Volunteers

Governors are volunteers providing their time for free to support the governance of the school. The school also relies on a number of others, for example the Friends of Denstone, who help in fundraising, assist the College in events and provide help where required. The Governing Body would like to thank all the volunteers for their help and acknowledge the assistance given.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2020

Organisational Management

The school is governed by the governing body which delegates work to a number of committees. Membership of each committee is outlined on page 17. The directors determine the general policy of the company.

Finance Committee – this committee has a remit to consider and approve revenue and capital budgets, cash flow information and financial reports, including the financial statements. It also considers financial policies and the financial regulations. It makes recommendations to the governing body for approval. The Finance Committee met three times during the year.

Premises Committee – this committee develops the school's estates strategy, including capital developments and maintenance of the buildings and it makes recommendations to the governing body. It met once during the year.

Education Committee – this committee is responsible for oversight of the academic performance of the school and educational policy, as well as overseeing boarding and pastoral matters, making recommendations to the governing body. It met three times during the year.

Marketing Committee – this committee oversees the considerable marketing and admissions activities, setting strategy, agreeing marketing priorities and providing guidance to the College's marketing team. It also oversees the College website. It met twice during the year.

Personnel Committee – this committee meets with the HR Manager, the Head and the Bursar (when required) to discuss any HR issues and report to the Full Council of governors when necessary. Safer recruitment and the Single Central Register are also discussed. It met three times during the year.

Safeguarding Committee – this committee reviews, monitors and supports safeguarding within the College and makes recommendations to the Governing Body, not least for their annual approval of the Safeguarding policy each February. The Chair of this committee is in regular dialogue with the College's Designated Safeguarding Leads. It met three times during the year.

Credit Committee – this committee is responsible for oversight of the collection of debts, principally College fees, and enforcing sanctions when fees remain unpaid. The committee meets when required and reports to Council; it reviews any outstanding current pupil fees immediately prior to each of the three half terms. It also reviews specific cases as the need arises.

Compliance Committee – this committee supports the Head and Senior Management Team in executing the major function of the College, namely the education on its pupils in a safe environment, ensuring it meets its regulatory requirements and remains up to date with changes and the impact of these on the College. The Head of Compliance is part of this committee. It met twice during the year.

IT Committee – this committee is responsible for overseeing the College's computer hardware, software and various IT networks, development of IT in the classroom and the general safe use of IT and internet throughout the College. It meets on an ad hoc basis when required and reports to the Council when necessary.

Foundation Committee – this committee oversees both fundraising and friend-raising initiatives, particularly amongst alumni.

Remuneration Committee – this committee meets prior to the June Council meeting to recommend for approval by the Board the remuneration of key management personnel and to consider salary reviews generally, with the policy objective of providing appropriate incentives to encourage performance and of rewarding staff fairly and responsibly for their individual contributions to the College's success.

Enterprises Committee – as a result of COVID-19, this committee has not met in 2020.

The day to day management of the company is delegated to the Head and the Bursar as the Key Management personnel, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration is undertaken within the policies and procedures approved by the governors which provide for only significant expenditure decisions and major capital projects to be referred to the governors for prior approval.

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The Head oversees the recruitment of all educational staff, whilst under delegated authority the Bursar oversees the recruitment of administrative and non-teaching support staff. The Head and Bursar are invited to attend governors' meetings.

The remuneration of key management personnel is set by the governing body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school'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 school remains sensitive to the broader issues of pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the school's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Group Structure and Relationships

The company has a wholly owned non-charitable subsidiary, Denstone College Enterprises Limited, the activities and trading of which are described below. Note 33 provides details of connected charities.

We have a thriving alumni group, the Old Denstonians, who are generous in supporting the work of the school and whose support we greatly appreciate. We also cooperate with many local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and extend education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and principles of the Church. The Church is defined as being the Church of England and churches in full communion with the See of Canterbury.

Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education; and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They are strong Christian foundations which adhere to catholic belief as found in the Church, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain.

Aims

Denstone College is a boarding and day school for pupils from the ages of 11 to 18. It aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life.

Primary objectives

The primary objectives of Denstone College to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;

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- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgment and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Denstone College education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately, and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

- Embedding High Performance Learning into our teaching as we aim for World Class status during 2022.
- Curriculum review leading to the development of Computer Science at A level and the extension of the innovative LIFE programme.
- Further development of and support for our tutor programme.
- The introduction of a Head of Wellbeing into school.
- Extensive continuation of the co-curricular programme despite COVID-19 and the inevitable restrictions and appointment of key staff such as Directors of Rugby and Hockey.
- Review and alterations made to the shape of the week to develop the co-curricular offering.
- Overt celebration of pupil's achievements.
- Extension of the capacity for pupil voice by altering the structure of the Student Council.
- Development of fundraising activity and capacity of the school to develop bursarial funding as a result of a Governors' away day.
- Regular review of human resources to ensure efficient and effective practice, including the addition of further external HR support.
- Regular Governor-run and school-attended committees meet and feed into Full Council, delivering constant communication, confirming compliance and ensuring active decision making in a timely manner.

Principal Activities of the Year

The principal activity of the school is the delivery of education to pupils ranging from 11 to 18 years of age. We also run a number of summer school activities and the school is open at other times for use by the local community. Pupil numbers at the school during the year were as follows:

	2019/2020		2018/2019	
Senior School	602	(149 boarders)	612	(166 boarders)
	Boys	Girls	Boys	Girls
Senior School	355	247	367	245

Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community. Denstonians (current and former) can reflect on our belief in Achievement, Confidence and Happiness, and the values instilled here of Honesty, Endeavour and Kindness so that they play a useful role in society, leading fulfilling and purposeful lives.

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In the furtherance of these aims the Denstone College governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our school will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our school is a part of a wider community and we are keen that our staff and pupils participate. The College also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our governors are committed to developing our programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of our programme are explained in the 'review of achievements and performance for the year' section of this report.

Woodard and its schools provide a significant benefit to the public. The school strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below, page 8.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individuals or elements of Woodard are incidental to delivery of the charitable objectives.

Concessions Including Bursaries & Scholarships

Our school does not have an endowment and in funding our concessions we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. Further details of our concessions policies and how to apply are available on our website at <https://www.denstonecollege.org/admissions/fees>.

All criteria and policies relating to concessions are kept under review and are updated when necessary.

Bursaries

Bursary awards are important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In most cases the budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school.

This year the value of means tested bursaries totalled £327k (2019: £444k) and represented 3.5% (4.3%) of our gross fees. They provided assistance to 59 (61) of our pupils of which 3 (4) pupils benefited from a full remission of fees.

Scholarships

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic

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potential or evidence of exceptional abilities which will contribute to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor. Scholarships are considered at entry into 1st, 3rd and Lower Sixth years.

The school awarded scholarships to 195 (2019: 197) pupils, based on their educational merit and potential, totalling £403k (£366k) and representing 4.3% (3.5%) of our gross fees. Of this number, 25 also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

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

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Investment Policy and Objectives

The company's memorandum and articles of association permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The College does not undertake any investment in quoted securities either for unrestricted funds or the Advanced Fees Scheme. Investment in quoted securities is limited to our restricted and endowed funds and these are managed through the Woodard Corporation.

Investment activities are managed in line with the requirements of the Trustee Act 2000. Our investment policy is to preserve the capital value of investments and maximise the return and income on all investments.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The key objectives for 2019/20 and performance against them *in italics* were:

1. To maintain a pupil roll in excess of 600. 602
2. To develop from a High Performance Learning (HPL) Pathway School to achieve World Class status in a little over 24 months. *Progress continues, though slowed due to responding to COVID-19*
3. To continue to develop bursarial support for the most needy, in partnership with Royal SpringBoard, Staffordshire Virtual School and the Boarding School Partnership. *We welcomed our first Royal SpringBoard pupil in September 2019 and second in September 2020*
4. To review the school curriculum and staff development programme, aiming to improve overall academic performance. *Evolution of 'Shape of the Day' and HPL, although slowed due to COVID-19*
5. To continue to build links with local schools in both state and independent sectors. *Continuing although summer activities impossible due to COVID-19*
6. To further engage with, develop partnerships with and contribute on a charitable basis to members and institutions in the wider community. *Continuing and we have implemented a new system for finding and approving access to school facilities for charitable purposes*
7. To achieve a year-end surplus, before depreciation, in excess of 5% of net fee income to steadily restore cash balances. *The school moved to online learning as a result of COVID-19 in March 2020 and closed to external lettings. This impacted both income streams. Our deficit was managed to a minimum using the coronavirus job retention scheme and minimising all costs.*

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Impact of Coronavirus Pandemic

Schools were ordered to close to all except the children of 'Key Workers' in March 2020 and much of the education was moved online. In brief, the impact has been to raise the level of uncertainty and risk for the whole education sector.

Denstone College adapted well to the new situation and was able to offer a full remote learning experience. This was well received by pupils and parents alike. The College reduced the fee for the Summer Term and created a new Remote Learning fee. This cost circa £0.8m. The Governors also opted not to raise fees for 2020/21 and to freeze employees pay to contain costs.

The Government Coronavirus Job Retention Scheme was utilised and over 100 members of the team were furloughed at various times between March and beyond the financial year-end. Restructuring of the operational teams has resulted in some redundancy and cost savings. The College also made use of payment holidays offered by the Government (VAT, PAYE and Teachers Pension) to delay £0.7m of cash into the next financial period, resulting in a beneficial closing cash balance. The payment holidays will be fully caught up by February 2021 and are budgeted for.

The College was closed to lets at the peak periods of Easter and summer, resulting in £96 gift aid contribution from Denstone College Enterprises Limited. The budget had been circa £0.1m.

The impact on the financial results for the year to 31st August 2020 has been significant and results in a deficit of £0.25m after all mitigations.

The majority of pupils returned in September 2020, including boarding and international pupils. The school made a number of adaptations to make social distancing possible, including clearly marked one-way systems, two metre floor markings, maximum occupancy signage for rooms and bathrooms. Many other adjustments have also been made, for example: awareness video created to educate the students, non-contact greetings promoted, seating plans for classrooms and on transport, staggered lunchtimes allowing extra cleaning time between sittings, year group bubbles created, with separate zones for each year, different drop-off and pick-up points for different year groups. Also, the promotion of hand cleaning with regular communication and posters, hand sanitisation points at all entrances and in communal areas, foot-operated and lidded bins, extra training and PPE equipment for domestic services staff and increased frequency of cleaning, especially communal areas and high volume common touch points e.g. doors. Vehicles are also being cleaned more regularly. Classrooms and communal areas have supplies of sanitiser, tissues and cleaning products. We have erected screens in some facilities e.g. IT classrooms and the Dining Hall to ensure social distancing. Sports fixtures against other schools have ceased. Our own students pursue activities outside wherever possible. We have had periods of closure for certain areas of the school, in line with guidance issued by Government and other professional bodies, for example the swimming pool, golf course and gymnasium. We have stopped external lets from using our facilities. Face coverings are required, we have focussed on ventilating rooms and vehicles and also asked students to minimise personal items being brought into College. Shared resources are also minimised and thoroughly cleaned where they are necessary. Most staff meetings take place on-line and continue to be held regularly to keep all informed. Staff wellbeing is of paramount importance. There is a dedicated space for isolation. We have a QR code for use by visitors. We make less use of whole school facilities' like Chapel, creating virtual events instead to ensure our community continue to have a full and varied experience and remain connected. We have held virtual open days to welcome prospective students and their families.

The school is currently full, not least because of the success of our online learning provision, however, the full extent of this pandemic remains to be seen as fee payers' businesses struggle to cope with the prolonged timeline and preventative measures.

School Performance and Achievements

During the year we educated an average of 602 children between the ages of 11 and 18. The school offers a wide curriculum and educates children with a relatively broad range of ability. The educational performance of the school was excellent, as demonstrated by the public examination results. GCSE/IGCSE candidates at the school achieved a 97% pass rate at grade 4 or above, of which 53% of entries were graded a grade 7 or higher, and at A Level 97% of grades were A to C, of which 52% of entries achieved grades A* or A. With the cancellation of the summer 2020 exam series these grades were awarded according to Ofqual's replacement system of Centre Assessments

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Grades. These results are well above the national average for all schools and in line with the average performance of independent schools. A large majority of our students moved on to higher education, achieving their first choice destination. The College aims to help pupils to make their way in adult life. Of the 80 students going on to university, 57% gained places at Russell Group Universities. We had one successful Oxbridge candidate and once again our students are going on to study a broad range of courses at good quality universities.

We continue to improve facilities through constant investment in the fabric of the buildings and assets, and programmes to provide the best facilities to support teaching and learning.

Arts, Music and Drama

One of the important elements of any Woodard school is the concentration on arts, music and drama. Denstone College is involved in all different aspects of these activities and the inter-house 'Cultural Cup' has been a great success, continuing to run in a modified form despite the COVID-19 disruption.

The daily musical life of the College has continued to be busy and rewarding. As well as the main large ensembles of the Chapel Choir, College Orchestra and Swing Band, pupils have had the opportunity to join a whole host of music groups including Girls' Chamber Choir, Men's Choir, Brass, Flute and Saxophone Groups, Percussion and String Ensembles, a Music Tech and Composition Club, and a Rock Band activity. We encourage pupils to get involved in vocal groups, bands and ensembles covering all different genres and styles of music from the western classical tradition, to jazz, to rock and pop. The department has delivered around 200 individual music lessons a week, and seen a number of notable successes in ABRSM exams, including several Grade 8s, and a high number of Merits and Distinctions. The Music Department has hosted a wide range of concerts over the course of the academic year, including a number of informal concerts that have been extremely well attended, becoming very popular with both performers and audience alike. Large concerts such as the Christmas 'Winter Wonderland' concert were well attended, and gave the College ensembles an excellent opportunity to demonstrate the high standard of their playing. We have also seen successful contributions outside of the College, including external concerts, and a strong entry into the Woodard Young Musician of the Year competition, including a finalist. Curriculum lessons continue to develop the wider musical experience of the whole College, and offer an exciting range of performing and composing opportunities.

From March, with the College in lockdown, the Music Department continued to offer a range of musical activities through online formats, including a Chamber Choir and a Choir. Weekly virtual recitals were held, with pupils contributing recordings from home. Curriculum lessons were inventive and well attended, giving the pupils the opportunity to continue to learn and perform from home. This learning, crucially, continued to be fully musical, with plenty of practical activities. The superb Middle and Senior School Show was 'Sister Act', where quality performances were again played out to full audiences over four sell-out nights. The Junior School show was 'The Lion, The Witch and the Wardrobe'. Sadly, despite the efforts of 68 children from First to Third form, COVID-19 prevented this theatrical experience from taking place. Fortunately, the Second Form House Drama Festival was able to take place. This featured a series of plays performed by Second Form, but written and directed by the Lower Sixth Form. Those taking GCSE and A Level were also still able to perform a variety of different productions as a part of their curriculum assessments. We managed to squeeze the final shows into the Lent Term before we went into lockdown. The introduction of LAMDA lessons and exams has proven to be a complete success and we are now at full capacity: we have 42 students taking lessons. Although the exams were cancelled for the summer term, these are due to take place in December 2020. In early March, we took members of our Festival Theatre Group to The Newcastle Festival. The performers did exceptionally well in a number of different categories. Sadly, we were unable to take part in The Edinburgh Fringe Festival as planned: but our 5th and 6th Formers worked extremely hard to produce a piece of theatre that would have received glowing reports.

Opportunities are provided for pupils of all ages, both on stage and behind the scenes in wardrobe, stage management, or on the technical sound and lighting side. There are regular theatre and music trips, particularly but not exclusively for drama and music students.

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Sport

The enormous range of opportunities offered at Denstone College reflects the integral role sport plays within College life. Denstone Sport continues to grow in success, both in terms of participation and elite performance.

Yet again the 1st XV rugby team enjoyed an unprecedented level of success this season, winning all but two fixtures with reverses only against Sedbergh and Kirkham. Our Juniors have grown in strength, with some former competitor schools having to drop us from their fixture list because of the quality of our Junior teams. The College have again had their best ever performance in the St Joseph's National Festival. We continue to have the highest number of boys from one school in the Leicester Tigers U18 Academy.

Hockey continues to be a popular and growing sport for girls and boys in the Michaelmas and Lent Terms respectively. The current strength is at Under 14 level for both boys and girls. We currently have 3 boys and 4 girls in the England Hockey Player Pathway, attending the England Hockey Midlands Performance Centres (PC). One pupil has just been selected for England U16s girls.

The College has continued to develop its cricket programme in both participation and performance. We have developed even stronger links with Staffordshire and Derbyshire. Derbyshire 1st XI trained here last summer and there are plans for the Staffordshire 1st XI to play fixtures at the College in the future. Cricket is now unisex with seven girls representing the College in the Junior age groups and one on the England Performance Pathway.

The standard of, and interest in, tennis has risen dramatically over the past few years and has led to the building of new courts and a growing fixture list. Teams are now being entered into the National AEGON championships, both genders, as well as competing in the Derby Club League. Our tennis coach is now providing four afternoons of coaching all year round.

In netball, we regularly field 19 teams and have improved the quality of our fixture lists due to the amount of girls wanting to represent the College. We have also improved the quality of our netball coaching provision as the sport grows in popularity, with both training and matches now taking place in the Michaelmas and Lent Terms.

Lacrosse also continues to grow in popularity. We have 2 teams at 1st and U15 age groups. Some of the girls also train alongside the City of Stoke Lacrosse Club one evening a week and also play in fixtures for the Stoke Ladies team. One girl has been selected for U15 and U18 Shropshire County Lacrosse and is currently on the England Lacrosse Talent Development Pathway.

Athletic Development at Denstone continues to be an industry leader with regular visits from other schools. We have specialist coaches running an impressive strength and conditioning routine to run alongside pupil's opportunities in the cardiovascular (CV) gym. The thoroughly enjoyable annual Sports Day at the end of summer term usually provides a high level of pupil participation and inter-house competition, although in 2020 this event proved impossible due to lockdown.

Denstone has its own 9-hole course and golf continues to provide an alternative activity for a number of pupils. A significant improvement in our golf infrastructure and full time coaching is currently under consideration with a view to competing in golf on the national stage.

Community

Through development of, and provision of access to, our facilities, Denstone College remains at the heart of the community. Facilities, which are often offered at rates below commercial levels, that are made open to the public include:

- Our new all-weather cricket nets that are made available to both local senior and junior clubs, often along with coaching to participants.
- Our swimming pool, which is made available to local swimming clubs and to Staffordshire County Council for use by local primary and middle schools.

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- In addition to swimming lessons for our secondary age pupils, we provide 'Learn to Swim' teaching lessons for local children aged between 2 and 8, with over 300 participating, although naturally these were curtailed for periods of the year due to COVID-19.
- The Sports Hall is made available for local groups across various sports and leisure activities.
- Both our grass and all-weather sports pitches are recognised as being of high quality. There are regular fixtures against local schools in a variety of sports, with the outside community also able to use these facilities. Various youth groups and child sports clubs enjoy evening sessions, particularly on our floodlit all-weather pitch.
- We regularly host county, and indeed regional, hockey, rugby and cricket matches and trials, including some national cricket trials at various age levels.
- The local community are welcome to attend our Carols by Candlelight and other Chapel services and our drama and musical performances, either in the theatre or Chapel, are open to members of the village community, upon request – although external audience events have been limited since March due to COVID-19.
- The College allows some 80 associate members from the local community to enjoy our golf course facilities.
- Local primary and prep schools make use of our classroom, art and science blocks together with our teaching resource as part of their own curriculum development.
- Subject to the necessary permissions, we can host wedding ceremonies and receptions.
- In normal times, through our Enterprise Company, we provide our facilities to children and adults in various sport and general activity groups during the school holidays.

Other Activities undertaken in the Community

These include the many that benefit from the fundraising efforts of our pupils and staff, and from volunteer work locally and further afield. The Choir regularly sing at a local nursing home and pupils involved in the 'Everyone Can Help Someone' activity also visit another local nursing home. Members of the College Combined Cadet Force (CCF) contingent meet with local Army, Air Training and Sea Cadets in competition. Local cadet forces and Uttoxeter Rifle Club use the outdoor range. Pupils embarking on their Duke of Edinburgh Awards regularly visit the elderly and help with local projects. Our Directors of Rugby and Hockey are in regular contact with local clubs. We continue to value our links with the local community and make facilities available to them.

Outreach

The College has significantly increased its outreach and partnership work in the last two years. We continue to extend our classroom teaching provision to some Lower and Upper Sixth Form pupils from Painsley Catholic College in Cheadle and Thomas Alleyne's High School in Uttoxeter, who come to Denstone College for some of their Music and French classes. We also work in partnership with Painsley to provide placements for PGCE students, and have recently waived the associated £3,500 payment due to us from Painsley. Pupils from local state schools are invited to various free UCAS, Careers and Oxbridge preparation sessions. Staff from local state schools are regularly invited to INSET at the College, free of charge. We have also seconded members of our Drama and MFL staff to local state schools to support and advise an incoming Head of Department.

Many students undertake community based projects as part of their DofE Awards and other general charitable activities. Our Head of Outdoors Pursuits has gained permission for Denstone to act as the DofE Licensed Organisation for 2 disabled pupils from other schools so that they can complete their DofE Awards, which are not offered at their schools, through us. We also host free coaching sessions for various local rugby clubs, including this year Ashbourne, Burton and Mansfield Rugby Clubs, and we are now looking to extend similar opportunities to hockey clubs.

The charity is continuing to develop wider community links.

Wider Experiences

There were again many school trips, although a number of these later in the year were cancelled due to COVID-19. For example, 5th Formers studying French again visited Nice, 5th and 6th Form historians visited Berlin and Krakow, and the usual large cohort of pupils were due on the annual ski trip to Alpe

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d'Huez in late March. Younger pupils enjoy Challenge Academy days and a trip to the National Space Centre, for example. Pupils in our Dedicated Athlete Scheme enjoyed various trips, including to St George's Park.

Combined Cadet Force (CCF), Duke of Edinburgh (DofE) Awards and Outdoor Pursuits

From 4th form upwards, all pupils have the opportunity to join the CCF, which has an Army and RAF section within the contingent. Currently over 120 students take part in the CCF. They enter many Brigade-run competitions and have previously been winners of the CCF Cadet Skills at Arms Meeting and overall best CCF in the Cadet Target Rifle Competition. The CCF runs a Field Day exercise every term at Swynnerton or Leek military training areas and attends an annual camp during the summer holidays. This is a week-long and can be anywhere in the country, and are run by the Cadet Training Team and held at current military bases, with regular Army or RAF instructors. Denstone College CCF is regarded as one of the best contingents within the brigade area and is well staffed with 8 Officers, drawn from the teaching staff. Our Remembrance Service was again very poignant this year.

DofE remains a big part of the activities programme. Over 70 pupils take part in Bronze award, 42 Silver and over 30 are aiming to complete Gold. Completion rates are improving and 5 pupils were due to attend St James's Palace to receive their Gold awards from HRH Prince Edward. 6 staff ensure the delivery of the syllabus to the students and help with the provision of the expeditions in holidays and over the exeats. Over lockdown, pupils adapted their section activities and were able to volunteer locally and show support for the NHS and local communities. The expeditions over the Summer Term were postponed to Michaelmas and involved day walks from school with no overnight camping. All pupils and parents were very supportive of this opportunity to complete the expedition section.

Outdoor pursuits continue to thrive at Denstone. The Sunday climbing club is well supported with a number of pupils working towards their NICAS and NIBAS awards. All 2nd Form will begin to take part in the NICAS scheme in the activities programme from Lent Term. 42 pupils were due to take part in a 3-week expedition to Kenya taking part in treks in the rift valley, participating in community projects, environmental projects and lots of challenging activities, but this was unfortunately cancelled due to COVID-19. Trips out have included mountain biking days at Cannock Chase, all the 2nd Form have been to the high ropes courses at Baggeridge and paddle board sessions in the school pool. The main Outdoor Pursuits programme was cut short with lockdown unfortunately, but many positive opportunities were provided across the school year as a whole, nevertheless.

Charitable Activities

As well as chapel collections, students take part in a wide range of sponsored events and fundraising activities. They are given the opportunity to nominate often local beneficiaries and this year, monies raised from home clothes days have been donated to a variety of organizations, including The British Legion, the RNIB, Endometriosis UK and Cancer research UK. Another example of such work would be the annual Christmas food bank collection, which pupils and staff enthusiastically support.

Fundraising Performance

No major fundraising initiatives were undertaken this year but a major campaign is planned for 2020/2021. There was, however, a request at the start of the first COVID-19 lockdown, in April, for help to contribute financially with our DT Department's effort to make visors for local Hospitals, GP Surgeries, Care Homes and Hospices to help in the efforts to keep staff, patients and residents safe; along with other projects to support the community. This request went to alumni, staff and parents and resulted in donations of £9,493 from 47 donors, 42 of whom signed Gift Aid declarations. No costs were incurred as all requests, communication and payments were electronic. We were grateful to receive the £10,000 donation from the OD Club for our Royal SpringBoard initiative. Our first SpringBoard pupil arrived into Lower Sixth in September, 2019 and our second is arriving in September, 2020, again in to Lower Sixth. We also received a £2,000 legacy from the will of an OD (Philips 1938-46) along with a handful of other, smaller, donations. Unfortunately, our planned 'fundraising' events were hit by the pandemic and both the Reunion for the Leavers of the 1980s & 1990s

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2020

(due to take place on 2nd, May, 2020) and the 10 year Reunion for the 2010 Leavers (due to take place on 4th July, 2020) were postponed. We did hold a successful OD Medical Society Meeting in October, 2019 – involving 8 ODs and 24 pupils - but our OD Lawyers' Society trip for pupils to Stafford Crown Court on 20th March, 2020 was also postponed.

Investment Performance Against Objectives

The College does not undertake any investment in quoted securities either for unrestricted funds or the Advanced Fees Scheme. Investment in quoted securities is limited to our restricted and endowed funds and these are managed through the Woodard Corporation.

Key Performance Indicators

The Key Performance Indicators (KPIs) used by the school are:

KPI	Target	Actual
Surplus	5% of net fees	COVID-19 related deficit of £0.25m
Pupil Numbers	600	602
Total salaries to net fees	73% of net fees	82% (COVID-19 fee reduction)

COVID-19 has impacted the KPI's as we invoiced a lower remote learning fee and were closed to letting customers during holidays.

Statement on Brexit

Following the outcome of the UK referendum on European Union membership, the UK left the European Union on 31st January, 2020. In preparation for this date, and in anticipation of the transition period, the school reviewed operations to understand and plan for the initial impact from Brexit. Guidance was also available from a number of sources including the Independent Schools Bursars Association. At this stage it is not possible to implement comprehensive policies for all possible changes as the future trade, visa and travel agreements are not yet in place. The school will continue to work with relevant authorities, staff, parents and suppliers to fully understand the impact in all areas including particularly visa requirements, the supply chain and data handling and protection, in order to minimise risk and potential disruption. Denstone College has a relatively small number of international boarders, predominantly non-EEA, therefore any impact on student numbers and fee income would be minimal. Feedback from our European agents would suggest that the new visa requirements for EU students is also not being seen to have an impact on parents' decisions to educate in the UK.

FINANCIAL REVIEW

Results for the Year

The net incoming resources for the year amounted to £9.6m. The unusual year resulted in a deficit of £0.25m. This was below our targeted position due to the impacts of COVID-19. The school reduced fees for the Summer term and charged a fee for a remote learning provision instead of the Day or Boarding fees. This, in part, to recognise the hardship being faced by our community, our customers. We made use of the Government Coronavirus Job Retention Scheme and furloughed just over 100 members of our team at the maximum at various points between March and the following academic year.

Our trading company hires out Denstone College facilities during term time and non-term time and also undertakes commercial activity such as uniform and sportswear sale. Unfortunately, COVID-19 has impacted the trading company significantly this year and the company made only £96 contribution to the school's finances; this is atypical.

The parents of our pupils often make significant sacrifices to pay the fees. In doing so they help to relieve the state of the financial burden of educating 579 UK based children. The saving is estimated to have a value in the last year of £3.7m. The school is also unable to recover the VAT on purchases it

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makes. During the past year, Denstone College has paid an estimated £0.3m in irrecoverable VAT on goods and services.

In addition to the very substantial benefits our school brings to our pupils, the local community and society through the education we offer, our bursary programme and scholarships create a social asset without cost to the Exchequer.

Denstone College provides pensions to some staff. There are two schemes, as in prior years, detailed in note 28.

Reserves Level and Policy, and Financial Viability

Denstone College's policy is to retain sufficient unrestricted income reserves to enable the company to continue to meet its short-term financial obligations in the event of an unexpected revenue shortfall. To meet this policy, the school aims to make and retain an overall surplus of 3-5% in the short term to build up free reserves.

The balance sheet contains a number of non-cash and longer term liabilities, including those related to pensions. These items are excluded from consideration of the available reserves. Unrestricted funds decreased by £216k to total £5,528k, as shown in note 24, this being COVID-19 related. Denstone College plans to fund longer term capital expenditure and meet long term liabilities through careful management of resources and investments, through building reserves through operations and trading and through securing loans specifically to bring the preparatory school on-site. The company's unrestricted reserves are primarily invested in tangible fixed assets which are all used for its direct charitable activities.

In common with most independent schools, and due to having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total reserves of £5.9m at the year-end included £0.3m of endowed funds, £0.1m of restricted funds and £5.5m unrestricted designated funds. Denstone College also reserves for £152k of pension-funding deficit. Fixed assets held for charity use totalled £8.4m (2019: £8.7m), leaving free reserves of -£2.9m (2019: -£2.9m) at the year-end. The school's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The school does not have, and cannot rely on, permanent endowments.

PRINCIPAL RISKS AND UNCERTAINTIES

It should be noted that these financial statements were compiled during the COVID-19 global pandemic and before a vaccine was confirmed. Like most trustees, the governors keep under consideration the impact of a catastrophic event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below is therefore reflective of a more stable environment and does not specifically look at the pandemic, or other similar events, but offers a wider view of common events plus a specific risk looking at those events that could impact the continuity of education.

The governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. The school is currently full, but there is no room for complacency. The governing body decided last year to increase fees in September 2019 by 3.5%. For September 2020 the governing body held fees flat to assist families impacted by COVID-19.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The potential loss of business rates relief is also considered a financial risk, as is the potential for VAT on school fees and, of course, the actuarial reviews and impacts on the Teachers' Pension Scheme.

The governing body is responsible for the identification and management of risks. The major risks to which the charity is exposed, as identified by the directors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and

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DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2020

establishment of controls to mitigate them is delegated to the Senior Management Team. A formal review of the risk management processes is undertaken annually.

The principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the governors consider possible catastrophic events and ensure that the school has a plan in place to allow education to continue in a range of different scenarios
- the market in which the school operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our school
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the school meets expectations
- the school operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools Council also ensure that we have access to up to date information and support
- the school operates in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic conditions and directors and senior managers in the school keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues

The key controls used by the school include:

- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

Financial risk management objectives and policies

The school uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations.

The main issues arising from the group's financial instruments are liquidity risk and interest rate risk. The school's directors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from our bank.
- Interest rate risk – the school finances operations through a mixture of retained surpluses and use of a bank facility. The exposure to interest rate fluctuations is managed by day to day monitoring.

GOING CONCERN

As at 31 August 2020, the group was in a strong balance sheet position, with net assets of £5,948,996 (2019: £6,199,086). The governing body is aware however that net current liabilities stand at £2,049,110 (2019: net current liabilities of £1,958,877); included within creditors less than one year are fees in advance, which will be taken to income during 2020-21.

The governing body has reviewed in depth the impact of the global pandemic on school operations and finances. In summer term of 2019-20 the financial impact was mitigated through use of the various elements of support provided by the Government including the furlough scheme. It has brought challenges in terms of letting school premises and facilities, which is dependent on groups of people

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DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2020**

being able to visit the school site safely and in line with government guidelines; from mid-March 2020 to the date of approval of these financial statements, it has not been possible to let premises and facilities to external parties with a few minor exceptions like swim school. The governing body recognise that the financial implications in 2019-20 brought about as a result of the pandemic will continue into 2020-21, and possibly beyond, and continues to rework plans for the coming year, to ensure the financial impact on the school continues to be mitigated in the most appropriate way.

The governing body has also given due consideration to the plans in place for a merger of activities with Denstone College Preparatory School at Smallwood Manor, a small independent preparatory school nearby with whom Denstone College has historically worked very closely, and from where a substantial number of pupils of Denstone College are recruited. The trade and certain business assets of Denstone College Preparatory School at Smallwood Manor will be gifted to Denstone College on 1 September 2021 (or as soon as legally possible) . Detailed due diligence has been performed by Denstone College in respect of this planned merger of activities, and the governing body are confident that the financial impact can be dealt with comfortably, through guaranteed support of up to £550k from the parent company Woodard Corporation and through a new loan facility from the existing bankers Lloyds, with whom Denstone College have long had a supportive working relationship. This is in addition to the existing overdraft facility in place with Lloyds of £750k, which the governing body understand, through discussion with the bank, will be renewed at the same level during February 2021.

Performance of detailed financial modelling, including 18-month cashflow forecasting, demonstrates that through a combination of continually strong pupil numbers, a gradual uptake of holiday-time lettings and the use of external facilities for sporting events as government guidelines are relaxed, bank balances held, and the financial support offered by both the parent company Woodard Corporation and Lloyds Bank (as detailed above), the school has sufficient cash to remain a going concern for at least 12 months from the anticipated date of signing these accounts. The directors have therefore prepared the financial statements have on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 27.

FUTURE PLANS

The governing body's current five year strategic plan is reviewed on an annual basis. The key objectives of the current plan are:

1. To establish new markets for the school so that pupil numbers can be increased to be consistently above 600 year on year
2. To ensure the success of the preparatory school that opens on site in September 2021
3. To continue to embed High Performance Learning as a positive tool to enhance the education experience
4. To continue to build reserves to ensure resilience in difficult times
5. To develop our fundraising activities to offer further bursarial support and develop school facilities

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2020

DIRECTORS

The directors who served during the year, and the committees of which they are members, are:

Mr K P Threlfall (Chairman)	Resigned 4 July 2020	Finance, Remuneration, Foundation (Also invited to attend other committees in his capacity as Chair)
Prof. N T Ratcliffe (Chairman)	Appointed as Chair 5 July 2020	Finance, Education, Marketing, Personnel, Foundation, Remuneration, Compliance (Also invited to attend other committees in his capacity as Chair)
Mrs M M Amos		Finance
Mrs E L Bell		Education, Personnel, Compliance
Mr J S F Cash		Premises, Compliance
Mr M F Coffin		Finance
Mr A D Coley		Premises, Remuneration, Enterprise
Mr D A Cooper		Education, Compliance
Mrs J Dickson		Safeguarding, Foundation, Compliance
Mrs E Evans		Premises, Marketing, Enterprise
Mr B W Hinton		Education, Marketing, Safeguarding, Personnel, IT, Foundation, Remuneration
Capt. M Huddy		Premises, Safeguarding, IT, Foundation
Mr C J Lewis		Finance, Marketing, Credit, Enterprise
Mrs B McNally-Young		Personnel, IT,

None of the directors has any beneficial interest in the company.

Denstone College buys trustees and officers insurance on behalf of the directors.

AUDITORS

RSM UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2020

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting 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 and group will continue in business.

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Approved by the Board of Directors of Denstone College on 11 January 2021, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Prof. N T Ratcliffe
CHAIRMAN

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2020

Opinion

We have audited the financial statements of Denstone College Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2020 which comprise the Group and Charity Statements of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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

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

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

Other information

The Directors are responsible for the other information. 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.

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

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the incorporated Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 Statement of Directors' responsibilities set out on page 18, 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 Directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED *YEAR ENDED 31ST AUGUST 2020*

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.

Dale Thorpe (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
9th Floor, 3 Hardman Street
Manchester
M3 3HF

12 January 2021

DENSTONE COLLEGE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2020 £	2019 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	8,391,692	-	-	8,391,692	9,125,911
Ancillary trading income	3	557,683	-	-	557,683	782,593
Other trading activities						
Non-ancillary trading income	4	113,220	-	-	113,220	450,725
Investments						
Investment income	5	-	3,163	9,683	12,846	16,181
Bank and other interest	6	130	-	-	130	65
Other – Grants and donations						
Grants and donations	7	552,802	-	-	552,802	282,542
TOTAL INCOMING RESOURCES		<u>9,615,526</u>	<u>3,163</u>	<u>9,683</u>	<u>9,628,372</u>	<u>10,658,017</u>
Expenditure on:						
Raising funds						
Non-ancillary trading	8	129,894	-	-	129,894	190,175
Financing costs	9	60,733	-	-	60,733	128,649
Investment management		-	1,904	525	2,429	2,454
Fundraising and development		20	-	-	20	475
TOTAL DEDUCTIBLE COSTS		<u>190,647</u>	<u>1,904</u>	<u>525</u>	<u>193,076</u>	<u>321,753</u>
Charitable Activities						
Education and grant making	8	9,640,946	-	9,683	9,650,629	9,919,576
TOTAL EXPENDITURE		<u>9,831,593</u>	<u>1,904</u>	<u>10,208</u>	<u>9,843,705</u>	<u>10,241,329</u>
Net gains/(losses) on investment assets	14,15	-	(6,225)	(28,533)	(34,758)	(1,265)
Net income/(expenditure)		<u>(216,067)</u>	<u>(4,966)</u>	<u>(29,058)</u>	<u>(250,091)</u>	<u>415,423</u>
Net movement in funds for the year		<u>(216,067)</u>	<u>(4,966)</u>	<u>(29,058)</u>	<u>(250,091)</u>	<u>415,423</u>
Fund balances at 1st September 2019		<u>5,744,223</u>	<u>138,652</u>	<u>316,111</u>	<u>6,198,986</u>	<u>5,783,563</u>
FUND BALANCES AS AT 31ST AUGUST		<u><u>5,528,156</u></u>	<u><u>133,686</u></u>	<u><u>287,053</u></u>	<u><u>5,948,895</u></u>	<u><u>6,198,986</u></u>

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 26 to 49 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2020 £	2019 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	8,391,692	-	-	8,391,692	9,125,911
Ancillary trading income	3	451,161	-	-	451,161	616,986
Other trading activities						
Non-ancillary trading income	4	58,383	-	-	58,383	192,468
Investments						
Investment income	5	-	3,163	9,683	12,846	16,181
Bank and other interest	6	78	-	-	78	28
Other – Grants and donations						
Grants and donations	7	552,898	-	-	552,898	371,326
TOTAL INCOMING RESOURCES		<u>9,454,212</u>	<u>3,163</u>	<u>9,683</u>	<u>9,467,058</u>	<u>10,322,900</u>
Expenditure on:						
Raising funds						
Non-ancillary trading	8	-	-	-	-	-
Financing costs	9	53,292	-	-	53,292	116,688
Investment management		-	1,904	525	2,429	2,454
Fundraising and development		20	-	-	20	475
TOTAL DEDUCTIBLE COSTS		<u>53,312</u>	<u>1,904</u>	<u>525</u>	<u>55,741</u>	<u>119,617</u>
Charitable Activities						
Education and grant making	8	9,616,966	-	9,683	9,626,649	9,786,595
TOTAL EXPENDITURE		<u>9,670,279</u>	<u>1,904</u>	<u>10,208</u>	<u>9,682,391</u>	<u>9,906,212</u>
Net gains/(losses) on investment assets	14,15	-	(6,225)	(28,533)	(34,758)	(1,265)
Net income/(expenditure)		<u>(216,067)</u>	<u>(4,966)</u>	<u>(29,058)</u>	<u>(250,091)</u>	<u>415,423</u>
Net movement in funds for the year		<u>(216,067)</u>	<u>(4,966)</u>	<u>(29,058)</u>	<u>(250,091)</u>	<u>415,423</u>
Fund balances at 1st September 2019		<u>5,744,223</u>	<u>138,652</u>	<u>316,111</u>	<u>6,198,986</u>	<u>5,783,563</u>
FUND BALANCES AS AT 31ST AUGUST		<u><u>5,528,156</u></u>	<u><u>133,686</u></u>	<u><u>287,053</u></u>	<u><u>5,948,895</u></u>	<u><u>6,198,986</u></u>

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 26 to 49 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2020

	Notes	Group 2020 £	2019 £	Charity 2020 £	2019 £
FIXED ASSETS					
Tangible assets	13	8,403,902	8,669,450	8,403,902	8,669,450
Securities investments	14	376,823	414,533	376,923	414,633
		<u>8,780,725</u>	<u>9,083,983</u>	<u>8,780,825</u>	<u>9,084,083</u>
CURRENT ASSETS					
Stock		127,238	90,454	0	13,187
Debtors	15	243,893	694,425	456,668	896,544
Cash at bank and in hand		647,358	200,361	496,323	58,507
		<u>1,018,489</u>	<u>985,240</u>	<u>952,991</u>	<u>968,238</u>
CURRENT LIABILITIES					
Creditors payable within one year	16	(3,067,599)	(2,944,117)	(3,003,377)	(2,927,215)
NET CURRENT LIABILITIES		<u>(2,049,110)</u>	<u>(1,958,877)</u>	<u>(2,050,386)</u>	<u>(1,958,977)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,731,615	7,125,106	6,730,439	7,125,106
LONG TERM LIABILITIES					
Creditors payable after one year	17	(630,865)	(745,020)	(630,865)	(745,020)
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY		6,100,750	6,380,086	6,099,574	6,380,086
Net pension liability	27	(151,754)	(181,000)	(151,754)	(181,000)
NET ASSETS		<u>5,948,996</u>	<u>6,199,086</u>	<u>5,947,820</u>	<u>6,199,086</u>
REPRESENTED BY:					
CALLED UP SHARE CAPITAL	22	100	100	100	100
ENDOWED FUNDS	25	287,053	316,111	287,053	316,111
RESTRICTED FUNDS	25	133,686	138,652	133,686	138,652
UNRESTRICTED FUNDS					
General reserve	25	5,528,157	5,744,223	5,526,981	5,744,223
		<u>5,948,996</u>	<u>6,199,086</u>	<u>5,947,820</u>	<u>6,199,086</u>

The financial statements were approved and authorised for issue by the Board on 11 January 2021 and signed on its behalf by



Prof. Nigel T Ratcliffe

CHAIRMAN

Company registration number 05010957

The notes on pages 26 to 49 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST AUGUST 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	34	<u>850,879</u>	<u>601,467</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		12,976	16,246
Purchase of property, plant and equipment		(94,083)	(64,732)
Proceeds from sale of investments		<u>300</u>	<u>2,433</u>
Net cash used in investing activities		<u>(80,807)</u>	<u>(46,053)</u>
Cash flows from financing activities:			
Repayments of overdraft		(262,242)	(373,915)
Financing costs		<u>(60,733)</u>	<u>(64,256)</u>
Net cash used in financing activities		<u>(322,975)</u>	<u>(438,171)</u>
Change in cash and cash equivalents in the year		447,097	117,243
Cash and cash equivalents at the beginning of the year		<u>200,261</u>	<u>83,018</u>
Cash and cash equivalents at the end of the year	29	<u><u>647,357</u></u>	<u><u>200,261</u></u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) Basis of Accounting

The accounts of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

Denstone College meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 35, and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£).

b) Going Concern

The accounts have been prepared on a going concern basis. The Denstone College Board reviews the financial information for the company and the group, and consider whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts.

As at 31 August 2020, the group was in a strong balance sheet position, with net assets of £5,948,996 (2019: £6,199,086). The governing body is aware however that net current liabilities stand at £2,049,110 (2019: net current liabilities of £1,958,877); included within creditors less than one year are fees in advance, which will be taken to income during 2020-21.

The governing body has reviewed in depth the impact of the global pandemic on school operations and finances. In summer term of 2019-20 the financial impact was mitigated through use of the various elements of support provided by the Government including the furlough scheme. The governing body recognise that the financial implications in 2019-20 brought about as a result of the pandemic will continue into 2020-21, and possibly beyond, and continues to rework plans for the coming year, to ensure the financial impact on the school continues to be mitigated in the most appropriate way.

The governing body has also given due consideration to the plans in place for a merger of activities with Denstone College Preparatory School at Smallwood Manor, a small independent preparatory school nearby with whom Denstone College has historically worked very closely, and from where a substantial number of pupils of Denstone College are recruited. The trade and certain business assets of Denstone College Preparatory School at Smallwood Manor will be gifted to Denstone College on 1 September 2021 (or as soon as legally possible). Detailed due diligence has been performed by Denstone College in respect of this planned merger of activities, and the governing body are confident that the financial impact can be dealt with comfortably, through guaranteed support of up to £550k from the parent company Woodard Corporation and through a new loan from the existing bankers Lloyds, with whom Denstone College have long had a supportive working relationship. This is in addition to the existing overdraft facility in place with Lloyds of £750k, which the governing body understand, through discussion with the bank, will be renewed at the same level during February 2021.

Performance of detailed financial modelling, including 18 month cashflow forecasting, demonstrates that through a combination of continually strong pupil numbers, bank balances held, and the financial support offered by both the parent company Woodard Corporation and

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

Lloyds Bank (as detailed above), the school has sufficient cash to remain a going concern for at least 12 months from the anticipated date of signing these accounts. The directors have therefore prepared the financial statements have on a going concern basis.

c) **Group Accounts**

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Entities are consolidated where Denstone College exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

d) **School Fees Receivable and Similar Income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

e) **Ancillary and Non-Ancillary Trading Income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects, for example school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

f) **Other - Grants and Donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. 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 at the value to the school in case of donated services or facilities.

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the schools with no future related costs. It is recognised in income in the period in which it becomes receivable.

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy. The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

h) **Finance and Other Costs**

Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

i) **Pension Costs**

The school company participates in the Teachers' Pensions scheme, which is an unfunded government scheme, which provide benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes.

The company offers membership of the Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth is a multi-employer pension scheme where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion which is similar to a defined contribution scheme.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in notes 27 and 35.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

j) **Tangible Fixed Assets and Depreciation**

In accordance with Section 35.10 (d) of FRS102, Denstone College has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Where tangible fixed assets have been acquired with the aid of specific grants they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Freehold land is not depreciated

Freehold Buildings:	- Variable according to the building and written off over the expected useful life (see paragraph below)
Freehold improvements	- Over the useful economic life of the improvement
Leasehold land	- Over the shorter of the economic life of the asset or the life of the lease
Leasehold enhancement	- Over the economic life of the asset
Computer equipment	- 25% on cost
Telephone system	- 10% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. Where the calculated depreciation charge is a material figure, it is charged in these financial statements but, where the carrying value is not more than the estimated recoverable amount and the depreciation on the building is not material to these financial statements, it has been assessed, but not charged on the basis that it is not material. The directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

No depreciation is provided for in respect of investment properties in accordance with Section 16 of FRS102. Such properties are held for their investment potential and not for consumption within the business. Investment properties are stated at their fair value at the balance sheet date.

Denstone College exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

k) **Financial Instruments**

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

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

l) **Securities and Fees in Advance Investments**

Securities and Fees in Advance investments are carried at fair value, which is deemed to be 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. Realised gains and losses are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year. The revaluation reserve reflects the accumulated total of unrealised gains and losses. Uninvested cash is the balance of liquid cash, held as an investment, which has not been invested in securities.

m) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

n) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

o) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet date.

p) **Fund Accounts**

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity. Endowment funds are further sub-divided into permanent and expendable, where required by the terms of the trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

q) **Taxation**

Denstone College is a registered charity and as such are exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The school has a subsidiary company that is subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The tax charged to the profit and loss account is based on the subsidiary company's profit for the year and takes into account tax arising because of timing differences between the treatment of certain items for tax and accounting purposes.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

Taxation (continued)

The subsidiary company distributes the majority of its profits to Denstone College under Gift Aid and tax liabilities are kept to a minimum.

2 CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2020 £	2019 £
The school fees income comprises		
Gross fees	9,450,429	10,420,663
Less: Total scholarships, bursaries, etc	(1,070,696)	(1,294,752)
Add back: Scholarships, grants etc paid for by Restricted Funds	11,959	-
	<u>8,391,692</u>	<u>9,125,911</u>

331 scholarships, bursaries and other awards were paid to 292 pupils (2019: 332 awards to 298 pupils). Within this, means-tested bursaries totalling £436,776 were paid to 58 pupils (2019: £320,824 to 61 pupils).

The value of fee discounts given to parents in respect of online learning made necessary by the COVID-19 pandemic totalled approximately £0.8m (2019: £nil).

3 CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME

	2020 £	2019 £
Extras including pupil transport	422,560	585,424
Entrance fees and registration fees	22,809	24,152
Fees in lieu of notice	5,793	7,410
Other education income	-	-
Sundry other income	106,521	165,607
	<u>557,683</u>	<u>782,593</u>

4 OTHER TRADING ACTIVITIES

	2020 £	2019 £
Non-ancillary trading income		
Denstone College Enterprises turnover	53,094	257,313
Rents receivable	1,426	556
Interest receivable - pupil bills	3,574	201
Other non-ancillary trading income	55,126	192,655
	<u>113,220</u>	<u>450,725</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

5 INVESTMENTS - INVESTMENT INCOME

	Unrestricted £	Restricted £	Endowed £	Total 2020 £	Total 2019 £
Securities investment income					
Equities	-	2,336	8,808	11,144	12,087
Fixed interest	-	783	808	1,591	4,073
Other investments	-	44	67	111	21
	<u>-</u>	<u>3,163</u>	<u>9,683</u>	<u>12,846</u>	<u>16,181</u>

6. INVESTMENTS - BANK AND OTHER INTEREST RECEIVABLE

	Unrestricted	Restricted	Endowed	Total 2020 £	Total 2019 £
Bank interest	130	-	-	130	65
Other interest					
	<u>130</u>	<u>-</u>	<u>-</u>	<u>130</u>	<u>65</u>

7. OTHER - GRANTS AND DONATIONS

	Unrestricted £	Restricted £	Endowed £	Total 2020 £	Total 2019 £
Grants to Denstone College from:					
Denstone College Enterprises Limited	-	-	-	-	88,784
Coronavirus Job Retention Scheme	473,063	-	-	473,063	-
Other grants and donations	86,464	-	-	86,464	282,542
Profit/(Loss) on Sale of Fixed Assets	<u>(6,725)</u>	<u>-</u>	<u>-</u>	<u>(6,725)</u>	<u>-</u>
	<u>552,802</u>	<u>-</u>	<u>-</u>	<u>552,802</u>	<u>371,326</u>

Coronavirus Job Retention Scheme (CJRS) income

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the schools with no future related costs. It is recognised in income in the period in which it becomes receivable.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

8. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff Costs (Note 10) £	Support Costs £	Depreciation (Note 13) £	Total 2020 £	Total 2019 £
Costs of raising funds					
Non ancillary trading - Denstone College Enterprises Ltd - Lettings	28,085	101,809	-	129,894	190,175
Financing cost (Note 9)	-	60,733	-	60,733	128,649
Investment management	-	2,429	-	2,429	2,433
Fundraising and development	-	20	-	20	475
Total cost of generating funds	28,085	164,991	-	193,076	321,732
Charitable expenditure					
Teaching	4,669,945	575,202	116,611	5,361,758	5,290,628
Welfare	598,287	284,623	-	882,910	1,118,100
Premises	761,624	817,407	235,995	1,815,026	2,025,810
School admin & shop	865,561	682,718	-	1,548,279	1,511,685
Grants awards and prizes (Note 8b)	-	12,832	-	12,832	16,284
Movement in pension recovery plan (note 27)	-	5,489	-	5,489	(66,000)
	6,895,417	2,378,271	352,606	9,626,294	9,896,507
Governance costs	-	24,335	-	24,335	23,069
Education and grant making	6,895,417	2,402,606	352,606	9,650,629	9,919,576
Total expenditure	6,923,502	2,567,597	352,606	9,843,705	10,241,308

b) Grants' awards and prizes

Denstone College makes awards to individual families to support schooling.

	2020 £	2019 £
From Endowed Funds:		
Other grants and awards	9,682	11,959
From Restricted Funds:		
Other grants and awards	-	-
From Unrestricted Funds:		
Other grants and awards	3,150	4,325
	12,832	16,284

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

8 ANALYSIS OF EXPENDITURE (Continued)

c) Total resources expended include:

Denstone College reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. No trustees were reimbursed during the year.

	2020 £	2019 £
Remuneration paid to auditor for audit services	19,000	16,600
Depreciation of tangible fixed assets		
- owned by the Charitable Company	352,606	353,294
Operating lease rentals:		
- other assets	278,876	5,647
Cost of stock/inventories recognised as an expense in the period	78,201	532,113
Reimbursement of personal expenses to governors	-	-

9 FINANCING COSTS

	2020 £	2019 £
Bank interest payable	5,141	5,218
Fees in advance and debt financing costs	25,895	36,813
Pension Scheme financing cost	2,775	22,214
Bank charges	12,012	17,322
Other finance costs	811	11
Provision for bad and doubtful debts	14,099	47,071
	<u>60,733</u>	<u>128,649</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

10 STAFF COSTS

	2020 £	2019 £
The aggregate payroll costs for the year were:		
Wages and salaries	5,554,243	5,526,468
Social security costs	534,965	529,862
Other pension costs	834,436	611,770
Private medical insurance	(142)	2,203
	<u>6,923,502</u>	<u>6,670,303</u>

Included in staff costs are redundancy or termination payments totalling £61k (2019: nil).

None of the governors received remuneration or other benefits from Denstone College or from any connected body.

The Headmaster, Bursar and Second Master are classed by the school as being the Key Management Personnel.

	2020 £	2019 £
Aggregate employee benefits of key management personnel	<u>327,376</u>	<u>220,902</u>

The number of higher paid employees whose annual emoluments were £60,000 or more was:

	2020 No	2019 No
£60,001 - £70,000	5	-
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£110,001 - £200,000	-	-

The number with retirement benefits accruing:
- in Defined Contribution schemes was

	1	-

Of which the contributions amounted to

	£0	£0

- in Defined Benefit schemes was

	7	2

Of which the contributions amounted to

	£109,172	£28,338

For 2020 there are zero (2019: zero) employees earning over £60,000 per year that have chosen not to participate in a pension scheme.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

10. STAFF COSTS (Continued)

The average number of employees during the year calculated on a head count basis, was 223 (2019: 232)

	2020 No	2019 No
Teaching	84	88
Welfare	39	43
Premises	38	41
Support	57	56
Other activities	5	4
	223	232

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £2,583 were awarded to children of directors attending the school (2019: £6,352).

12. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

13. TANGIBLE FIXED ASSETS

Group and company

	Assets under construction	Freehold Land & Buildings	Plant & Equipment	Computer Equipment	Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 st September 2019	-	9,463,106	491,212	709,681	552,833	48,445	11,265,277
Additions	77,896	-	16,187	-	-	-	94,083
Disposals	-	-	(38,936)	(38,305)	-	(10,100)	(87,341)
At 31st August 2020	77,896	9,463,106	468,463	671,376	552,833	38,345	11,272,019
Depreciation							
At 1 st September 2019	-	1,508,048	322,692	420,837	303,122	41,128	2,595,827
Charge for the year	-	152,141	33,611	116,611	42,024	5,521	349,908
Additions	-	-	2,698	-	-	-	2,698
Disposals	-	-	(31,911)	(38,305)	-	(10,100)	(80,316)
At 31st August 2020	-	1,660,189	327,090	499,143	345,146	36,549	2,868,117
Net book value at 31st August 2020	77,896	7,802,917	141,373	172,233	207,687	1,796	8,403,902
Net book value at 31 st August 2019	-	7,955,058	168,520	288,844	249,711	7,317	8,669,450

All tangible assets are held for charitable activities.

Finance leases and hire purchase contracts

The College had no finance leases or hire purchase obligations.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

14. SECURITIES INVESTMENTS

	Fees in Advance Investments		Securities Investments	
	2020	2019	2020	2019
	£	£	£	£
Group investments				
At 1 September	-	-	414,533	418,231
Amounts extracted	-	-	-	-
Investment management fees	-	-	(2,952)	(2,433)
Realised gains/(losses) on investments	-	-	-	-
Unrealised gains/(losses) on investments	-	-	(34,758)	(1,265)
Group investments at 31 August	-	-	376,823	414,533
Investment in subsidiaries	-	-	100	100
Company investments at 31 August	-	-	376,923	414,633
Investments comprise:				
Listed investments				
Fixed interest	-	-	118,428	117,991
Equities	-	-	247,465	282,660
Unlisted investments				
Land and buildings				
Other				
Cash	-	-	10,930	13,882
Group investments at 31 August			376,823	414,533
Investment in subsidiaries	-	-	100	100
Company investments at 31 August	-	-	376,923	414,633

Denstone College owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England/Wales. Further details are provided in note 33.

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

The main Securities Investments and Fees in Advance Scheme Investments deposits are managed for Denstone College by UBS Wealth Management (UK). All investments are managed and held in the UK.

Holdings at the year-end comprising more than 5% of the total are:

Artemis Income Fund Units	28.4%
M&G Securities Corporate BD	17.0%
Threadneedle Cross Industrial Funds	14.1%
iShares PLC FTSE 100 Fund	14.4%
iShares Corporate Bond Fund	15.3%
iShares S&P 500 SHS	10.7%

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

15. DEBTORS

	Group 2020 £	2019 £	Company 2020 £	2019 £
School fees receivable	13,932	377,680	13,932	377,680
Trade debtors	35,543	109,848	35,372	-
Staff loans	-	4,215	-	4,215
Other debtors	38,101	112,962	38,101	81,905
Prepayments and accrued income	149,218	84,227	149,218	80,868
Tax recoverable	3,314	5,493	-	5,493
Amounts due from subsidiary company	-	-	216,261	346,383
Amounts due from parent company	3,784	-	3,784	-
	243,892	694,425	456,668	896,544

16 CREDITORS: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	-	262,242	-	262,242
Deposits from parents	116,014	66,562	116,014	66,562
Fees received from parents in advance of term	702,501	1,086,307	702,501	1,086,307
Trade creditors	662,052	495,669	605,994	481,004
Taxation and social security	496,704	126,650	496,704	126,650
Other creditors	142,832	134,279	136,074	133,650
Fees in Advance Scheme	838,433	639,737	838,433	639,737
Accruals	109,063	128,887	107,657	127,279
Amounts due to Woodard Corporation	-	3,784	-	3,784
	3,067,599	2,944,117	3,003,377	2,927,215

17 CREDITORS: amounts falling due after one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Deposits from parents	150,260	198,851	150,260	198,851
Fees in Advance Scheme	480,605	546,169	480,605	546,169
	630,865	745,020	630,865	745,020

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

18 BANK FACILITY

The College has an overdraft facility of £750,000 with Lloyds Bank subject to annual review with the next review due on 28 February 2021 and secured by an unlimited debenture on 17 April 2018.

19 FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the college, fees in advance will be applied as follows:

	2020 £	2019 £
After 5 years	-	10,734
Within 2 to 5 years	190,123	276,846
Within 1 to 2 years	290,482	258,589
Due after more than one year	480,605	546,169
Within 1 year	838,433	639,737
	<u>1,319,038</u>	<u>1,185,906</u>

Summary of movements in liability

	£
Balance at 1 September 2019	1,185,906
New contracts	663,636
Amounts used to pay fees	(482,506)
Repayments to parents	(47,998)
Balance at 31 August 2020	<u>1,319,038</u>

20 FINANCE LEASE OBLIGATIONS

The College had no finance lease obligations.

21 COMMITMENTS UNDER OPERATING LEASES

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

The future minimum commitments under non-cancellable operating leases are:

	2020	2019
	£	£
Within 1 year	90,579	5,647
Within 1 to 5 years	188,297	-
	<u>278,876</u>	<u>5,647</u>

22. SHARE CAPITAL

	2020	2019
	£	£
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

23. FUNDS

Denstone College's funds are analysed under the following headings:

a) ENDOWED FUNDS

Special Endowment

The Special Endowment funds of the company include a number of individual trust and prize funds set up by donors as permanent capital. The income generated is restricted to funding scholarships, bursaries, grants and prizes.

b) RESTRICTED FUNDS

The benefit fund is held in trust by the Woodard Corporation to assist former pupils by contributing towards the school fees of their children or dependents or in such a manner (being exclusively charitable) as the Trustees consider for their benefit. The fund has been built up by voluntary contributions. The College Council has power to determine on behalf of the Trustees which pupils shall receive benefit and the nature and extent of such benefit. The purpose is to provide financial support to pupils whose family circumstances would otherwise prevent them from attending the College.

c) UNRESTRICTED FUNDS

Unrestricted funds represent accumulated income from the school's activities and other sources that are available for the general purposes of the school.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted £	Restricted £	Endowed £	Total 2020 £	Total 2019 £
Tangible fixed assets	8,403,902	-	-	8,403,902	8,669,450
Securities investments	-	117,761	259,062	376,823	414,533
Fees in Advance Scheme	(1,319,038)	-	-	(1,319,038)	(1,185,906)
Net current					
(liabilities)/assets	(1,254,693)	15,925	27,991	(1,210,777)	(1,319,240)
Long term liabilities	(302,014)	-	-	(302,014)	(379,851)
	<u>5,528,157</u>	<u>133,686</u>	<u>287,053</u>	<u>5,948,896</u>	<u>6,198,986</u>

Charity	Unrestricted £	Restricted £	Endowed £	Total 2020 £	Total 2019 £
Tangible fixed assets	8,403,902	-	-	8,403,902	8,669,450
Securities investments	100	117,761	259,062	376,923	414,633
Fees in Advance Scheme					
investments	(1,319,038)	-	-	(1,319,038)	(1,185,906)
Net current					
(liabilities)/assets	(1,255,969)	15,925	27,991	(1,212,053)	(1,319,340)
Long term liabilities	(302,014)	-	-	(302,014)	(379,851)
	<u>5,526,981</u>	<u>133,868</u>	<u>287,053</u>	<u>5,947,720</u>	<u>6,198,986</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

25. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 Sept 2019 £	Incoming resources £	Resources expended £	Gains/ (losses) £	At 31 August 2020 £
Endowed - Expendable					
Revaluation reserves	89,065	-	-	(28,533)	60,532
Scholarships, bursary & prize trust funds	227,046	9,683	(10,208)	-	226,521
	316,111	9,683	(10,208)	(28,533)	287,053
Restricted Funds					
Revaluation reserves	44,609	-	-	(6,225)	38,384
Scholarships, bursary & prize	94,043	3,163	(1,904)	-	95,302
	138,652	3,163	(1,904)	(6,225)	133,686
Unrestricted Funds					
General Reserve	5,744,223	9,615,527	(9,831,593)	-	5,528,157
	5,744,223	9,615,526	(9,831,593)	-	5,528,156
Share Capital	100	-	-	-	100
Total Funds	6,199,086	9,628,373	(9,843,705)	(34,758)	5,948,995

26. CAPITAL COMMITMENTS

At 31 August 2020, the group had capital commitments as follows:

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	-	-

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

27. PENSION SCHEMES

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,057k (2019: £819k) and at the year-end £502k (2019 - £67k) was accrued in respect of contributions to this scheme. As part of the Government support package to help businesses during the COVID-19 pandemic they offered payment holidays to businesses. We took advantage of the scheme and agreed payment holidays from April to August. All payments will be caught up by February 2021 and are planned in the cash-flow budget.

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 2019. The employer contribution rate was 23.6% from 1 September 2019. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

TPT Retirement Solutions

A further full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 31 January 2025:	£33k per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 30 January 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the employer has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

27. PENSION SCHEMES (Continued)

Present Values of Provision	2020 £000s	2019 £000s
Present value of provision	152	181
Reconciliation of opening and closing provisions	2020 £000s	2019 £000s
Provision at 1 September	181	247
Unwinding of the discount factor	2	4
Deficit contribution paid	(32)	(33)
Remeasurements - impact of any change in assumptions	1	3
Remeasurements - amendments to the contribution schedule	-	(40)
Provision at 31 August	152	181

Income and expenditure impact	2020 £000s	2019 £000s
Interest expense	2	4
Unwinding of the discount factor	-	-
Remeasurements - impact of any change in assumptions	1	3
Remeasurements - amendments to the contribution schedule	-	(40)
	2020	2019

Assumptions	% per annum	% per annum
Rate of discount	0.55	0.97

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Deficit Contributions Schedule

The following schedule shows the deficit contributions agreed between the company and the scheme at each year end period:

	2020 £000s	2019 £000s
Year 1	33	32
Year 2	34	33
Year 3	35	34
Year 4	36	35
Year 5	15	36
Year 6		15

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

27. PENSION SCHEMES (Continued)

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

28. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2020 £	2019 £
Net income for the period (as per the Statement of Financial Activities)	(250,091)	415,423
Adjustments for		
Depreciation charges	352,606	353,294
(Gains)/losses on investments	34,758	1,265
Dividends, interest and rents from investments	(12,976)	(16,246)
Financing costs	60,733	64,256
Investment Management Fees	2,952	-
Loss/(profit) on the sale of fixed assets	6,725	-
(Increase)/decrease in stocks	(36,784)	(15,127)
(Increase)/decrease in debtors	450,532	52,266
Increase/(decrease) in creditors	242,323	(253,664)
Net cash provided by (used in) operating activities	850,879	601,467

29. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand and at bank	647,358	200,631
Other loans	-	-
Overdraft facilities repayable on demand	-	-
Total cash and cash equivalents	647,358	200,631

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

30. SUBSIDIARIES

The Company owns all of the share capital of Denstone College Enterprises Limited (DCEL), a company incorporated in England and Wales (Company number: 05181951). This company carries out trading activity on behalf of the school including commercial letting and sales from the school's tuck shop which also includes uniform.

Denstone College Enterprises Limited had a turnover of £161k (2019: £424k), gross profit of £3k (2019: £82k), and a profit before tax and gift aid of £0.1k in the year ended 31 August 2020 (2019: profit of £79k). At 31 August 2020 the company had shareholder's funds of £100 (2019: £100).

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

31 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - Comparative figures by fund type

Year ended 31 August 2019	Unrestricted £	Restricted £	Endowed £	Total £
Income and endowments from				
Charitable activities				
School fees receivable	9,125,911	-	-	9,125,911
Ancillary trading income	782,593	-	-	782,593
Other trading activities				
Non-ancillary trading income	450,725	-	-	450,725
Other activities	-	-	-	-
Investments				
Investment income	-	4,222	11,959	16,181
Bank and other interest	65	-	-	65
Voluntary sources				
Grants and donations	282,542	-	-	282,542
Other incoming resources				
Total incoming resources	<u>10,641,836</u>	<u>4,222</u>	<u>11,959</u>	<u>10,658,017</u>
Expenditure on:				
Raising funds				
Non ancillary trading	190,175	-	-	190,175
Other income generating activities		-	-	-
Financing costs	128,649	-	-	128,649
Investment management	(11,938)	2,341	12,051	2,454
Fundraising and development	475	-	-	475
Total deductible costs	<u>307,361</u>	<u>2,341</u>	<u>12,051</u>	<u>321,753</u>
Charitable activities				
Education and grant making	9,919,576	-	-	9,919,576
Total resources expended	<u>10,226,937</u>	<u>2,341</u>	<u>12,051</u>	<u>10,241,329</u>
Net gains/(losses) on investment assets	-	2,706	(3,971)	(1,265)
Net income/(expenditure)	<u>414,899</u>	<u>4,587</u>	<u>(4,063)</u>	<u>415,423</u>
Transfers between funds	-	-	-	-
Other recognised gains/(losses)				
Pension scheme actuarial gains/(losses)	-	-	-	-
Net movement in funds for the year	<u>414,899</u>	<u>4,587</u>	<u>(4,063)</u>	<u>415,423</u>
Fund balances at 1 September	5,329,324	134,065	320,174	5,783,563
Fund balances at 31 August	<u><u>5,744,223</u></u>	<u><u>138,652</u></u>	<u><u>316,111</u></u>	<u><u>6,198,986</u></u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

32. CONTINGENT LIABILITIES

The College has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2019. As of this date the estimated employer debt for the Company was £516,791, including Series 3 liabilities.

33. ULTIMATE CONTROLLING PARTY

The Woodard Corporation Limited is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of Denstone College Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

34. RELATED PARTIES

As stated in note 31, Denstone College Limited is a wholly owned subsidiary of The Woodard Corporation. An amount of £45,303 (2019: £64,274) was paid during the year to Woodard Corporation by way of a levy to meet running costs. This was only for 2 terms, 1 term reduction due to COVID-19. There was a £0 balance (2019: £0) outstanding at the year end.

The company also controls a subsidiary trading company, Denstone College Enterprises Limited (DCEL). An amount of £96 (2019: £78,784) was given by DCEL to the company by gift aid. Other transactions between the two companies totalling £138,598 (2019: £267,968) comprised: salary costs; costs of purchases made by the company on behalf of DCEL; and items from the School Shop charged to pupil bills.

During the year we made payments totalling £22k to Ainsley & Partners. A Director of the College holds a 50% equity share in Ainsley & Partners. The payment relates to professional fees associated with the preparatory school project.

35. POST BALANCE SHEET EVENTS

Nothing to report.

36. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash-flows. Accounting policies are shown at note 1 to the financial statements.

Pension scheme deficit reduction payments

As explained at note 27, there is a deficit reduction plan in place in respect of Denstone College's membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Pension scheme contingent liability

Per note 31, there is a contingent liability in the event that Denstone College were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries, inflation, mortality rates and the selection of appropriate discount rates.

Provision for bad debts

Estimating amounts to provide against recovery of debts is a matter of judgement.

Depreciation, impairment and residual values of fixed assets

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates for depreciation, and for matters of impairment.

Charity Registration No. 1102588

Company Registration No. 05010957 (England and Wales)

DENSTONE COLLEGE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

DENSTONE COLLEGE LIMITED

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DENSTONE COLLEGE LIMITED

COMPANY INFORMATION

DIRECTORS AND ADVISORS

Directors

Prof. N T Ratcliffe (Chairman)
Mr K P Threlfall (Chairman) resigned 4.7.2020
Mrs M M Amos
Mrs E L Bell
Mr J S F Cash
Mr M F Coffin
Mr A D Coley
Mr D A Cooper
Mrs J Dickson
Mrs E J Evans
Mr B W Hinton
Capt. M G Huddy
Mr C J Lewis
Mrs B McNally-Young
1102588

Charity No.

Company No.

Principal Address and Registered Office

05010957
Denstone College
Uttoxeter
Staffordshire
ST14 5HN

Key Management Personnel

Head

Bursar

Second Master

Mr M R M Norris
Mrs M A Walker
Mr J Hartley

Auditors

RSM UK Audit LLP
9th Floor, 3 Hardman Street, Manchester, M3 3HF

Bankers

Lloyds Bank
1 Pride Hill
Shrewsbury
SY1 1DG

Solicitors

Veale Wasborough
Narrow Quay
Bristol
BS1 4QA

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

Martin Kaye
The Foundry
Euston Way
Telford
TF3 4LY

Investment Advisers

UBS Wealth Management (UK) Limited
WC House
London, EC1 3BY

DENSTONE COLLEGE LIMITED

COMPANY INFORMATION

Insurance Brokers

Marsh
Capital House
1 to 5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2020**

The directors present their report and financial statements for the year ended 31 August 2020 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in 2004 and is registered with the Charity Commission as charity number 1102588. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The charitable company is incorporated in the United Kingdom. Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

Note 34 provides details of connected charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The company is governed by Articles of Association as adopted by Special Resolution dated 2 July 2015 and 20 March 2013, replacing those dated 9 January 2004 amended by Special Resolution(s) dated 25 January 2006. They permit funds to be managed in such a manner as the directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the company.

Governing Body

The governors are the directors and charitable trustees of the company and comprise the governing body of Denstone College and are elected to hold office for five years. The school is governed by the governing body which operates using a number of committees. Membership of each committee is outlined on page 4. The governing body met four times during the year.

Recruitment and Training of Governors

All governors are Fellows of the Woodard Corporation. Fellows are responsible for electing the Woodard Corporation Board. Governors are recruited on the basis of nominations and selected when a post becomes available. The governing body look to ensure a mix of skills and select new governors on the basis of background, competence, specialist skills and, in the case of Fellows, Christian commitment. Governors are provided with induction training by the Head, Bursar and staff and a wider programme of training events is organised by the Woodard Corporation.

Where possible the governors consider that the skills and experience of the governing body should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.

One Governor may have one or more of these skills.

Volunteers

Governors are volunteers providing their time for free to support the governance of the school. The school also relies on a number of others, for example the Friends of Denstone, who help in fundraising, assist the College in events and provide help where required. The Governing Body would like to thank all the volunteers for their help and acknowledge the assistance given.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2020

Organisational Management

The school is governed by the governing body which delegates work to a number of committees. Membership of each committee is outlined on page 17. The directors determine the general policy of the company.

Finance Committee – this committee has a remit to consider and approve revenue and capital budgets, cash flow information and financial reports, including the financial statements. It also considers financial policies and the financial regulations. It makes recommendations to the governing body for approval. The Finance Committee met three times during the year.

Premises Committee – this committee develops the school's estates strategy, including capital developments and maintenance of the buildings and it makes recommendations to the governing body. It met once during the year.

Education Committee – this committee is responsible for oversight of the academic performance of the school and educational policy, as well as overseeing boarding and pastoral matters, making recommendations to the governing body. It met three times during the year.

Marketing Committee – this committee oversees the considerable marketing and admissions activities, setting strategy, agreeing marketing priorities and providing guidance to the College's marketing team. It also oversees the College website. It met twice during the year.

Personnel Committee – this committee meets with the HR Manager, the Head and the Bursar (when required) to discuss any HR issues and report to the Full Council of governors when necessary. Safer recruitment and the Single Central Register are also discussed. It met three times during the year.

Safeguarding Committee – this committee reviews, monitors and supports safeguarding within the College and makes recommendations to the Governing Body, not least for their annual approval of the Safeguarding policy each February. The Chair of this committee is in regular dialogue with the College's Designated Safeguarding Leads. It met three times during the year.

Credit Committee – this committee is responsible for oversight of the collection of debts, principally College fees, and enforcing sanctions when fees remain unpaid. The committee meets when required and reports to Council; it reviews any outstanding current pupil fees immediately prior to each of the three half terms. It also reviews specific cases as the need arises.

Compliance Committee – this committee supports the Head and Senior Management Team in executing the major function of the College, namely the education on its pupils in a safe environment, ensuring it meets its regulatory requirements and remains up to date with changes and the impact of these on the College. The Head of Compliance is part of this committee. It met twice during the year.

IT Committee – this committee is responsible for overseeing the College's computer hardware, software and various IT networks, development of IT in the classroom and the general safe use of IT and internet throughout the College. It meets on an ad hoc basis when required and reports to the Council when necessary.

Foundation Committee – this committee oversees both fundraising and friend-raising initiatives, particularly amongst alumni.

Remuneration Committee – this committee meets prior to the June Council meeting to recommend for approval by the Board the remuneration of key management personnel and to consider salary reviews generally, with the policy objective of providing appropriate incentives to encourage performance and of rewarding staff fairly and responsibly for their individual contributions to the College's success.

Enterprises Committee – as a result of COVID-19, this committee has not met in 2020.

The day to day management of the company is delegated to the Head and the Bursar as the Key Management personnel, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration is undertaken within the policies and procedures approved by the governors which provide for only significant expenditure decisions and major capital projects to be referred to the governors for prior approval.

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The Head oversees the recruitment of all educational staff, whilst under delegated authority the Bursar oversees the recruitment of administrative and non-teaching support staff. The Head and Bursar are invited to attend governors' meetings.

The remuneration of key management personnel is set by the governing body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school'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 school remains sensitive to the broader issues of pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the school's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Group Structure and Relationships

The company has a wholly owned non-charitable subsidiary, Denstone College Enterprises Limited, the activities and trading of which are described below. Note 33 provides details of connected charities.

We have a thriving alumni group, the Old Denstonians, who are generous in supporting the work of the school and whose support we greatly appreciate. We also cooperate with many local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and extend education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and principles of the Church. The Church is defined as being the Church of England and churches in full communion with the See of Canterbury.

Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education; and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They are strong Christian foundations which adhere to catholic belief as found in the Church, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain.

Aims

Denstone College is a boarding and day school for pupils from the ages of 11 to 18. It aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life.

Primary objectives

The primary objectives of Denstone College to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;

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- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgment and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Denstone College education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately, and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

- Embedding High Performance Learning into our teaching as we aim for World Class status during 2022.
- Curriculum review leading to the development of Computer Science at A level and the extension of the innovative LIFE programme.
- Further development of and support for our tutor programme.
- The introduction of a Head of Wellbeing into school.
- Extensive continuation of the co-curricular programme despite COVID-19 and the inevitable restrictions and appointment of key staff such as Directors of Rugby and Hockey.
- Review and alterations made to the shape of the week to develop the co-curricular offering.
- Overt celebration of pupil's achievements.
- Extension of the capacity for pupil voice by altering the structure of the Student Council.
- Development of fundraising activity and capacity of the school to develop bursarial funding as a result of a Governors' away day.
- Regular review of human resources to ensure efficient and effective practice, including the addition of further external HR support.
- Regular Governor-run and school-attended committees meet and feed into Full Council, delivering constant communication, confirming compliance and ensuring active decision making in a timely manner.

Principal Activities of the Year

The principal activity of the school is the delivery of education to pupils ranging from 11 to 18 years of age. We also run a number of summer school activities and the school is open at other times for use by the local community. Pupil numbers at the school during the year were as follows:

	2019/2020		2018/2019	
Senior School	602	(149 boarders)	612	(166 boarders)
	Boys	Girls	Boys	Girls
Senior School	355	247	367	245

Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community. Denstonians (current and former) can reflect on our belief in Achievement, Confidence and Happiness, and the values instilled here of Honesty, Endeavour and Kindness so that they play a useful role in society, leading fulfilling and purposeful lives.

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In the furtherance of these aims the Denstone College governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our school will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our school is a part of a wider community and we are keen that our staff and pupils participate. The College also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our governors are committed to developing our programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of our programme are explained in the 'review of achievements and performance for the year' section of this report.

Woodard and its schools provide a significant benefit to the public. The school strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below, page 8.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individuals or elements of Woodard are incidental to delivery of the charitable objectives.

Concessions Including Bursaries & Scholarships

Our school does not have an endowment and in funding our concessions we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. Further details of our concessions policies and how to apply are available on our website at <https://www.denstonecollege.org/admissions/fees>.

All criteria and policies relating to concessions are kept under review and are updated when necessary.

Bursaries

Bursary awards are important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In most cases the budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school.

This year the value of means tested bursaries totalled £327k (2019: £444k) and represented 3.5% (4.3%) of our gross fees. They provided assistance to 59 (61) of our pupils of which 3 (4) pupils benefited from a full remission of fees.

Scholarships

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic

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potential or evidence of exceptional abilities which will contribute to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor. Scholarships are considered at entry into 1st, 3rd and Lower Sixth years.

The school awarded scholarships to 195 (2019: 197) pupils, based on their educational merit and potential, totalling £403k (£366k) and representing 4.3% (3.5%) of our gross fees. Of this number, 25 also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

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

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Investment Policy and Objectives

The company's memorandum and articles of association permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The College does not undertake any investment in quoted securities either for unrestricted funds or the Advanced Fees Scheme. Investment in quoted securities is limited to our restricted and endowed funds and these are managed through the Woodard Corporation.

Investment activities are managed in line with the requirements of the Trustee Act 2000. Our investment policy is to preserve the capital value of investments and maximise the return and income on all investments.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The key objectives for 2019/20 and performance against them *in italics* were:

1. To maintain a pupil roll in excess of 600. *602*
2. To develop from a High Performance Learning (HPL) Pathway School to achieve World Class status in a little over 24 months. *Progress continues, though slowed due to responding to COVID-19*
3. To continue to develop bursarial support for the most needy, in partnership with Royal SpringBoard, Staffordshire Virtual School and the Boarding School Partnership. *We welcomed our first Royal SpringBoard pupil in September 2019 and second in September 2020*
4. To review the school curriculum and staff development programme, aiming to improve overall academic performance. *Evolution of 'Shape of the Day' and HPL, although slowed due to COVID-19*
5. To continue to build links with local schools in both state and independent sectors. *Continuing although summer activities impossible due to COVID-19*
6. To further engage with, develop partnerships with and contribute on a charitable basis to members and institutions in the wider community. *Continuing and we have implemented a new system for finding and approving access to school facilities for charitable purposes*
7. To achieve a year-end surplus, before depreciation, in excess of 5% of net fee income to steadily restore cash balances. *The school moved to online learning as a result of COVID-19 in March 2020 and closed to external lettings. This impacted both income streams. Our deficit was managed to a minimum using the coronavirus job retention scheme and minimising all costs.*

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Impact of Coronavirus Pandemic

Schools were ordered to close to all except the children of 'Key Workers' in March 2020 and much of the education was moved online. In brief, the impact has been to raise the level of uncertainty and risk for the whole education sector.

Denstone College adapted well to the new situation and was able to offer a full remote learning experience. This was well received by pupils and parents alike. The College reduced the fee for the Summer Term and created a new Remote Learning fee. This cost circa £0.8m. The Governors also opted not to raise fees for 2020/21 and to freeze employees pay to contain costs.

The Government Coronavirus Job Retention Scheme was utilised and over 100 members of the team were furloughed at various times between March and beyond the financial year-end. Restructuring of the operational teams has resulted in some redundancy and cost savings. The College also made use of payment holidays offered by the Government (VAT, PAYE and Teachers Pension) to delay £0.7m of cash into the next financial period, resulting in a beneficial closing cash balance. The payment holidays will be fully caught up by February 2021 and are budgeted for.

The College was closed to lets at the peak periods of Easter and summer, resulting in £96 gift aid contribution from Denstone College Enterprises Limited. The budget had been circa £0.1m.

The impact on the financial results for the year to 31st August 2020 has been significant and results in a deficit of £0.25m after all mitigations.

The majority of pupils returned in September 2020, including boarding and international pupils. The school made a number of adaptations to make social distancing possible, including clearly marked one-way systems, two metre floor markings, maximum occupancy signage for rooms and bathrooms. Many other adjustments have also been made, for example: awareness video created to educate the students, non-contact greetings promoted, seating plans for classrooms and on transport, staggered lunchtimes allowing extra cleaning time between sittings, year group bubbles created, with separate zones for each year, different drop-off and pick-up points for different year groups. Also, the promotion of hand cleaning with regular communication and posters, hand sanitisation points at all entrances and in communal areas, foot-operated and lidded bins, extra training and PPE equipment for domestic services staff and increased frequency of cleaning, especially communal areas and high volume common touch points e.g. doors. Vehicles are also being cleaned more regularly. Classrooms and communal areas have supplies of sanitiser, tissues and cleaning products. We have erected screens in some facilities e.g. IT classrooms and the Dining Hall to ensure social distancing. Sports fixtures against other schools have ceased. Our own students pursue activities outside wherever possible. We have had periods of closure for certain areas of the school, in line with guidance issued by Government and other professional bodies, for example the swimming pool, golf course and gymnasium. We have stopped external lets from using our facilities. Face coverings are required, we have focussed on ventilating rooms and vehicles and also asked students to minimise personal items being brought into College. Shared resources are also minimised and thoroughly cleaned where they are necessary. Most staff meetings take place on-line and continue to be held regularly to keep all informed. Staff wellbeing is of paramount importance. There is a dedicated space for isolation. We have a QR code for use by visitors. We make less use of whole school facilities' like Chapel, creating virtual events instead to ensure our community continue to have a full and varied experience and remain connected. We have held virtual open days to welcome prospective students and their families.

The school is currently full, not least because of the success of our online learning provision, however, the full extent of this pandemic remains to be seen as fee payers' businesses struggle to cope with the prolonged timeline and preventative measures.

School Performance and Achievements

During the year we educated an average of 602 children between the ages of 11 and 18. The school offers a wide curriculum and educates children with a relatively broad range of ability. The educational performance of the school was excellent, as demonstrated by the public examination results. GCSE/IGCSE candidates at the school achieved a 97% pass rate at grade 4 or above, of which 53% of entries were graded a grade 7 or higher, and at A Level 97% of grades were A to C, of which 52% of entries achieved grades A* or A. With the cancellation of the summer 2020 exam series these grades were awarded according to Ofqual's replacement system of Centre Assessments

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Grades. These results are well above the national average for all schools and in line with the average performance of independent schools. A large majority of our students moved on to higher education, achieving their first choice destination. The College aims to help pupils to make their way in adult life. Of the 80 students going on to university, 57% gained places at Russell Group Universities. We had one successful Oxbridge candidate and once again our students are going on to study a broad range of courses at good quality universities.

We continue to improve facilities through constant investment in the fabric of the buildings and assets, and programmes to provide the best facilities to support teaching and learning.

Arts, Music and Drama

One of the important elements of any Woodard school is the concentration on arts, music and drama. Denstone College is involved in all different aspects of these activities and the inter-house 'Cultural Cup' has been a great success, continuing to run in a modified form despite the COVID-19 disruption.

The daily musical life of the College has continued to be busy and rewarding. As well as the main large ensembles of the Chapel Choir, College Orchestra and Swing Band, pupils have had the opportunity to join a whole host of music groups including Girls' Chamber Choir, Men's Choir, Brass, Flute and Saxophone Groups, Percussion and String Ensembles, a Music Tech and Composition Club, and a Rock Band activity. We encourage pupils to get involved in vocal groups, bands and ensembles covering all different genres and styles of music from the western classical tradition, to jazz, to rock and pop. The department has delivered around 200 individual music lessons a week, and seen a number of notable successes in ABRSM exams, including several Grade 8s, and a high number of Merits and Distinctions. The Music Department has hosted a wide range of concerts over the course of the academic year, including a number of informal concerts that have been extremely well attended, becoming very popular with both performers and audience alike. Large concerts such as the Christmas 'Winter Wonderland' concert were well attended, and gave the College ensembles an excellent opportunity to demonstrate the high standard of their playing. We have also seen successful contributions outside of the College, including external concerts, and a strong entry into the Woodard Young Musician of the Year competition, including a finalist. Curriculum lessons continue to develop the wider musical experience of the whole College, and offer an exciting range of performing and composing opportunities.

From March, with the College in lockdown, the Music Department continued to offer a range of musical activities through online formats, including a Chamber Choir and a Choir. Weekly virtual recitals were held, with pupils contributing recordings from home. Curriculum lessons were inventive and well attended, giving the pupils the opportunity to continue to learn and perform from home. This learning, crucially, continued to be fully musical, with plenty of practical activities. The superb Middle and Senior School Show was 'Sister Act', where quality performances were again played out to full audiences over four sell-out nights. The Junior School show was 'The Lion, The Witch and the Wardrobe'. Sadly, despite the efforts of 68 children from First to Third form, COVID-19 prevented this theatrical experience from taking place. Fortunately, the Second Form House Drama Festival was able to take place. This featured a series of plays performed by Second Form, but written and directed by the Lower Sixth Form. Those taking GCSE and A Level were also still able to perform a variety of different productions as a part of their curriculum assessments. We managed to squeeze the final shows into the Lent Term before we went into lockdown. The introduction of LAMDA lessons and exams has proven to be a complete success and we are now at full capacity: we have 42 students taking lessons. Although the exams were cancelled for the summer term, these are due to take place in December 2020. In early March, we took members of our Festival Theatre Group to The Newcastle Festival. The performers did exceptionally well in a number of different categories. Sadly, we were unable to take part in The Edinburgh Fringe Festival as planned: but our 5th and 6th Formers worked extremely hard to produce a piece of theatre that would have received glowing reports.

Opportunities are provided for pupils of all ages, both on stage and behind the scenes in wardrobe, stage management, or on the technical sound and lighting side. There are regular theatre and music trips, particularly but not exclusively for drama and music students.

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Sport

The enormous range of opportunities offered at Denstone College reflects the integral role sport plays within College life. Denstone Sport continues to grow in success, both in terms of participation and elite performance.

Yet again the 1st XV rugby team enjoyed an unprecedented level of success this season, winning all but two fixtures with reverses only against Sedbergh and Kirkham. Our Juniors have grown in strength, with some former competitor schools having to drop us from their fixture list because of the quality of our Junior teams. The College have again had their best ever performance in the St Joseph's National Festival. We continue to have the highest number of boys from one school in the Leicester Tigers U18 Academy.

Hockey continues to be a popular and growing sport for girls and boys in the Michaelmas and Lent Terms respectively. The current strength is at Under 14 level for both boys and girls. We currently have 3 boys and 4 girls in the England Hockey Player Pathway, attending the England Hockey Midlands Performance Centres (PC). One pupil has just been selected for England U16s girls.

The College has continued to develop its cricket programme in both participation and performance. We have developed even stronger links with Staffordshire and Derbyshire. Derbyshire 1st XI trained here last summer and there are plans for the Staffordshire 1st XI to play fixtures at the College in the future. Cricket is now unisex with seven girls representing the College in the Junior age groups and one on the England Performance Pathway.

The standard of, and interest in, tennis has risen dramatically over the past few years and has led to the building of new courts and a growing fixture list. Teams are now being entered into the National AEGON championships, both genders, as well as competing in the Derby Club League. Our tennis coach is now providing four afternoons of coaching all year round.

In netball, we regularly field 19 teams and have improved the quality of our fixture lists due to the amount of girls wanting to represent the College. We have also improved the quality of our netball coaching provision as the sport grows in popularity, with both training and matches now taking place in the Michaelmas and Lent Terms.

Lacrosse also continues to grow in popularity. We have 2 teams at 1st and U15 age groups. Some of the girls also train alongside the City of Stoke Lacrosse Club one evening a week and also play in fixtures for the Stoke Ladies team. One girl has been selected for U15 and U18 Shropshire County Lacrosse and is currently on the England Lacrosse Talent Development Pathway.

Athletic Development at Denstone continues to be an industry leader with regular visits from other schools. We have specialist coaches running an impressive strength and conditioning routine to run alongside pupil's opportunities in the cardiovascular (CV) gym. The thoroughly enjoyable annual Sports Day at the end of summer term usually provides a high level of pupil participation and inter-house competition, although in 2020 this event proved impossible due to lockdown.

Denstone has its own 9-hole course and golf continues to provide an alternative activity for a number of pupils. A significant improvement in our golf infrastructure and full time coaching is currently under consideration with a view to competing in golf on the national stage.

Community

Through development of, and provision of access to, our facilities, Denstone College remains at the heart of the community. Facilities, which are often offered at rates below commercial levels, that are made open to the public include:

- Our new all-weather cricket nets that are made available to both local senior and junior clubs, often along with coaching to participants.
- Our swimming pool, which is made available to local swimming clubs and to Staffordshire County Council for use by local primary and middle schools.

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- In addition to swimming lessons for our secondary age pupils, we provide 'Learn to Swim' teaching lessons for local children aged between 2 and 8, with over 300 participating, although naturally these were curtailed for periods of the year due to COVID-19.
- The Sports Hall is made available for local groups across various sports and leisure activities.
- Both our grass and all-weather sports pitches are recognised as being of high quality. There are regular fixtures against local schools in a variety of sports, with the outside community also able to use these facilities. Various youth groups and child sports clubs enjoy evening sessions, particularly on our floodlit all-weather pitch.
- We regularly host county, and indeed regional, hockey, rugby and cricket matches and trials, including some national cricket trials at various age levels.
- The local community are welcome to attend our Carols by Candlelight and other Chapel services and our drama and musical performances, either in the theatre or Chapel, are open to members of the village community, upon request – although external audience events have been limited since March due to COVID-19.
- The College allows some 80 associate members from the local community to enjoy our golf course facilities.
- Local primary and prep schools make use of our classroom, art and science blocks together with our teaching resource as part of their own curriculum development.
- Subject to the necessary permissions, we can host wedding ceremonies and receptions.
- In normal times, through our Enterprise Company, we provide our facilities to children and adults in various sport and general activity groups during the school holidays.

Other Activities undertaken in the Community

These include the many that benefit from the fundraising efforts of our pupils and staff, and from volunteer work locally and further afield. The Choir regularly sing at a local nursing home and pupils involved in the 'Everyone Can Help Someone' activity also visit another local nursing home. Members of the College Combined Cadet Force (CCF) contingent meet with local Army, Air Training and Sea Cadets in competition. Local cadet forces and Uttoxeter Rifle Club use the outdoor range. Pupils embarking on their Duke of Edinburgh Awards regularly visit the elderly and help with local projects. Our Directors of Rugby and Hockey are in regular contact with local clubs. We continue to value our links with the local community and make facilities available to them.

Outreach

The College has significantly increased its outreach and partnership work in the last two years. We continue to extend our classroom teaching provision to some Lower and Upper Sixth Form pupils from Painsley Catholic College in Cheadle and Thomas Alleyne's High School in Uttoxeter, who come to Denstone College for some of their Music and French classes. We also work in partnership with Painsley to provide placements for PGCE students, and have recently waived the associated £3,500 payment due to us from Painsley. Pupils from local state schools are invited to various free UCAS, Careers and Oxbridge preparation sessions. Staff from local state schools are regularly invited to INSET at the College, free of charge. We have also seconded members of our Drama and MFL staff to local state schools to support and advise an incoming Head of Department.

Many students undertake community based projects as part of their DofE Awards and other general charitable activities. Our Head of Outdoors Pursuits has gained permission for Denstone to act as the DofE Licensed Organisation for 2 disabled pupils from other schools so that they can complete their DofE Awards, which are not offered at their schools, through us. We also host free coaching sessions for various local rugby clubs, including this year Ashbourne, Burton and Mansfield Rugby Clubs, and we are now looking to extend similar opportunities to hockey clubs.

The charity is continuing to develop wider community links.

Wider Experiences

There were again many school trips, although a number of these later in the year were cancelled due to COVID-19. For example, 5th Formers studying French again visited Nice, 5th and 6th Form historians visited Berlin and Krakow, and the usual large cohort of pupils were due on the annual ski trip to Alpe

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d'Huez in late March. Younger pupils enjoy Challenge Academy days and a trip to the National Space Centre, for example. Pupils in our Dedicated Athlete Scheme enjoyed various trips, including to St George's Park.

Combined Cadet Force (CCF), Duke of Edinburgh (DofE) Awards and Outdoor Pursuits

From 4th form upwards, all pupils have the opportunity to join the CCF, which has an Army and RAF section within the contingent. Currently over 120 students take part in the CCF. They enter many Brigade-run competitions and have previously been winners of the CCF Cadet Skills at Arms Meeting and overall best CCF in the Cadet Target Rifle Competition. The CCF runs a Field Day exercise every term at Swynnerton or Leek military training areas and attends an annual camp during the summer holidays. This is a week-long and can be anywhere in the country, and are run by the Cadet Training Team and held at current military bases, with regular Army or RAF instructors. Denstone College CCF is regarded as one of the best contingents within the brigade area and is well staffed with 8 Officers, drawn from the teaching staff. Our Remembrance Service was again very poignant this year.

DofE remains a big part of the activities programme. Over 70 pupils take part in Bronze award, 42 Silver and over 30 are aiming to complete Gold. Completion rates are improving and 5 pupils were due to attend St James's Palace to receive their Gold awards from HRH Prince Edward. 6 staff ensure the delivery of the syllabus to the students and help with the provision of the expeditions in holidays and over the exeats. Over lockdown, pupils adapted their section activities and were able to volunteer locally and show support for the NHS and local communities. The expeditions over the Summer Term were postponed to Michaelmas and involved day walks from school with no overnight camping. All pupils and parents were very supportive of this opportunity to complete the expedition section.

Outdoor pursuits continue to thrive at Denstone. The Sunday climbing club is well supported with a number of pupils working towards their NICAS and NIBAS awards. All 2nd Form will begin to take part in the NICAS scheme in the activities programme from Lent Term. 42 pupils were due to take part in a 3-week expedition to Kenya taking part in treks in the rift valley, participating in community projects, environmental projects and lots of challenging activities, but this was unfortunately cancelled due to COVID-19. Trips out have included mountain biking days at Cannock Chase, all the 2nd Form have been to the high ropes courses at Baggeridge and paddle board sessions in the school pool. The main Outdoor Pursuits programme was cut short with lockdown unfortunately, but many positive opportunities were provided across the school year as a whole, nevertheless.

Charitable Activities

As well as chapel collections, students take part in a wide range of sponsored events and fundraising activities. They are given the opportunity to nominate often local beneficiaries and this year, monies raised from home clothes days have been donated to a variety of organizations, including The British Legion, the RNIB, Endometriosis UK and Cancer research UK. Another example of such work would be the annual Christmas food bank collection, which pupils and staff enthusiastically support.

Fundraising Performance

No major fundraising initiatives were undertaken this year but a major campaign is planned for 2020/2021. There was, however, a request at the start of the first COVID-19 lockdown, in April, for help to contribute financially with our DT Department's effort to make visors for local Hospitals, GP Surgeries, Care Homes and Hospices to help in the efforts to keep staff, patients and residents safe; along with other projects to support the community. This request went to alumni, staff and parents and resulted in donations of £9,493 from 47 donors, 42 of whom signed Gift Aid declarations. No costs were incurred as all requests, communication and payments were electronic. We were grateful to receive the £10,000 donation from the OD Club for our Royal SpringBoard initiative. Our first SpringBoard pupil arrived into Lower Sixth in September, 2019 and our second is arriving in September, 2020, again in to Lower Sixth. We also received a £2,000 legacy from the will of an OD (Philips 1938-46) along with a handful of other, smaller, donations. Unfortunately, our planned 'fundraising' events were hit by the pandemic and both the Reunion for the Leavers of the 1980s & 1990s

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2020

(due to take place on 2nd, May, 2020) and the 10 year Reunion for the 2010 Leavers (due to take place on 4th July, 2020) were postponed. We did hold a successful OD Medical Society Meeting in October, 2019 – involving 8 ODs and 24 pupils - but our OD Lawyers' Society trip for pupils to Stafford Crown Court on 20th March, 2020 was also postponed.

Investment Performance Against Objectives

The College does not undertake any investment in quoted securities either for unrestricted funds or the Advanced Fees Scheme. Investment in quoted securities is limited to our restricted and endowed funds and these are managed through the Woodard Corporation.

Key Performance Indicators

The Key Performance Indicators (KPIs) used by the school are:

KPI	Target	Actual
Surplus	5% of net fees	COVID-19 related deficit of £0.25m
Pupil Numbers	600	602
Total salaries to net fees	73% of net fees	82% (COVID-19 fee reduction)

COVID-19 has impacted the KPI's as we invoiced a lower remote learning fee and were closed to letting customers during holidays.

Statement on Brexit

Following the outcome of the UK referendum on European Union membership, the UK left the European Union on 31st January, 2020. In preparation for this date, and in anticipation of the transition period, the school reviewed operations to understand and plan for the initial impact from Brexit. Guidance was also available from a number of sources including the Independent Schools Bursars Association. At this stage it is not possible to implement comprehensive policies for all possible changes as the future trade, visa and travel agreements are not yet in place. The school will continue to work with relevant authorities, staff, parents and suppliers to fully understand the impact in all areas including particularly visa requirements, the supply chain and data handling and protection, in order to minimise risk and potential disruption. Denstone College has a relatively small number of international boarders, predominantly non-EEA, therefore any impact on student numbers and fee income would be minimal. Feedback from our European agents would suggest that the new visa requirements for EU students is also not being seen to have an impact on parents' decisions to educate in the UK.

FINANCIAL REVIEW

Results for the Year

The net incoming resources for the year amounted to £9.6m. The unusual year resulted in a deficit of £0.25m. This was below our targeted position due to the impacts of COVID-19. The school reduced fees for the Summer term and charged a fee for a remote learning provision instead of the Day or Boarding fees. This, in part, to recognise the hardship being faced by our community, our customers. We made use of the Government Coronavirus Job Retention Scheme and furloughed just over 100 members of our team at the maximum at various points between March and the following academic year.

Our trading company hires out Denstone College facilities during term time and non-term time and also undertakes commercial activity such as uniform and sportswear sale. Unfortunately, COVID-19 has impacted the trading company significantly this year and the company made only £96 contribution to the school's finances; this is atypical.

The parents of our pupils often make significant sacrifices to pay the fees. In doing so they help to relieve the state of the financial burden of educating 579 UK based children. The saving is estimated to have a value in the last year of £3.7m. The school is also unable to recover the VAT on purchases it

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makes. During the past year, Denstone College has paid an estimated £0.3m in irrecoverable VAT on goods and services.

In addition to the very substantial benefits our school brings to our pupils, the local community and society through the education we offer, our bursary programme and scholarships create a social asset without cost to the Exchequer.

Denstone College provides pensions to some staff. There are two schemes, as in prior years, detailed in note 28.

Reserves Level and Policy, and Financial Viability

Denstone College's policy is to retain sufficient unrestricted income reserves to enable the company to continue to meet its short-term financial obligations in the event of an unexpected revenue shortfall. To meet this policy, the school aims to make and retain an overall surplus of 3-5% in the short term to build up free reserves.

The balance sheet contains a number of non-cash and longer term liabilities, including those related to pensions. These items are excluded from consideration of the available reserves. Unrestricted funds decreased by £216k to total £5,528k, as shown in note 24, this being COVID-19 related. Denstone College plans to fund longer term capital expenditure and meet long term liabilities through careful management of resources and investments, through building reserves through operations and trading and through securing loans specifically to bring the preparatory school on-site. The company's unrestricted reserves are primarily invested in tangible fixed assets which are all used for its direct charitable activities.

In common with most independent schools, and due to having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total reserves of £5.9m at the year-end included £0.3m of endowed funds, £0.1m of restricted funds and £5.5m unrestricted designated funds. Denstone College also reserves for £152k of pension-funding deficit. Fixed assets held for charity use totalled £8.4m (2019: £8.7m), leaving free reserves of -£2.9m (2019: -£2.9m) at the year-end. The school's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The school does not have, and cannot rely on, permanent endowments.

PRINCIPAL RISKS AND UNCERTAINTIES

It should be noted that these financial statements were compiled during the COVID-19 global pandemic and before a vaccine was confirmed. Like most trustees, the governors keep under consideration the impact of a catastrophic event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below is therefore reflective of a more stable environment and does not specifically look at the pandemic, or other similar events, but offers a wider view of common events plus a specific risk looking at those events that could impact the continuity of education.

The governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. The school is currently full, but there is no room for complacency. The governing body decided last year to increase fees in September 2019 by 3.5%. For September 2020 the governing body held fees flat to assist families impacted by COVID-19.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The potential loss of business rates relief is also considered a financial risk, as is the potential for VAT on school fees and, of course, the actuarial reviews and impacts on the Teachers' Pension Scheme.

The governing body is responsible for the identification and management of risks. The major risks to which the charity is exposed, as identified by the directors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2020

establishment of controls to mitigate them is delegated to the Senior Management Team. A formal review of the risk management processes is undertaken annually.

The principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the governors consider possible catastrophic events and ensure that the school has a plan in place to allow education to continue in a range of different scenarios
- the market in which the school operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our school
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the school meets expectations
- the school operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools Council also ensure that we have access to up to date information and support
- the school operates in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic conditions and directors and senior managers in the school keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues

The key controls used by the school include:

- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

Financial risk management objectives and policies

The school uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations.

The main issues arising from the group's financial instruments are liquidity risk and interest rate risk. The school's directors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from our bank.
- Interest rate risk – the school finances operations through a mixture of retained surpluses and use of a bank facility. The exposure to interest rate fluctuations is managed by day to day monitoring.

GOING CONCERN

As at 31 August 2020, the group was in a strong balance sheet position, with net assets of £5,948,996 (2019: £6,199,086). The governing body is aware however that net current liabilities stand at £2,049,110 (2019: net current liabilities of £1,958,877); included within creditors less than one year are fees in advance, which will be taken to income during 2020-21.

The governing body has reviewed in depth the impact of the global pandemic on school operations and finances. In summer term of 2019-20 the financial impact was mitigated through use of the various elements of support provided by the Government including the furlough scheme. It has brought challenges in terms of letting school premises and facilities, which is dependent on groups of people

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DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31ST AUGUST 2020**

being able to visit the school site safely and in line with government guidelines; from mid-March 2020 to the date of approval of these financial statements, it has not been possible to let premises and facilities to external parties with a few minor exceptions like swim school. The governing body recognise that the financial implications in 2019-20 brought about as a result of the pandemic will continue into 2020-21, and possibly beyond, and continues to rework plans for the coming year, to ensure the financial impact on the school continues to be mitigated in the most appropriate way.

The governing body has also given due consideration to the plans in place for a merger of activities with Denstone College Preparatory School at Smallwood Manor, a small independent preparatory school nearby with whom Denstone College has historically worked very closely, and from where a substantial number of pupils of Denstone College are recruited. The trade and certain business assets of Denstone College Preparatory School at Smallwood Manor will be gifted to Denstone College on 1 September 2021 (or as soon as legally possible) . Detailed due diligence has been performed by Denstone College in respect of this planned merger of activities, and the governing body are confident that the financial impact can be dealt with comfortably, through guaranteed support of up to £550k from the parent company Woodard Corporation and through a new loan facility from the existing bankers Lloyds, with whom Denstone College have long had a supportive working relationship. This is in addition to the existing overdraft facility in place with Lloyds of £750k, which the governing body understand, through discussion with the bank, will be renewed at the same level during February 2021.

Performance of detailed financial modelling, including 18-month cashflow forecasting, demonstrates that through a combination of continually strong pupil numbers, a gradual uptake of holiday-time lettings and the use of external facilities for sporting events as government guidelines are relaxed, bank balances held, and the financial support offered by both the parent company Woodard Corporation and Lloyds Bank (as detailed above), the school has sufficient cash to remain a going concern for at least 12 months from the anticipated date of signing these accounts. The directors have therefore prepared the financial statements have on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 27.

FUTURE PLANS

The governing body's current five year strategic plan is reviewed on an annual basis. The key objectives of the current plan are:

1. To establish new markets for the school so that pupil numbers can be increased to be consistently above 600 year on year
2. To ensure the success of the preparatory school that opens on site in September 2021
3. To continue to embed High Performance Learning as a positive tool to enhance the education experience
4. To continue to build reserves to ensure resilience in difficult times
5. To develop our fundraising activities to offer further bursarial support and develop school facilities

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2020

DIRECTORS

The directors who served during the year, and the committees of which they are members, are:

Mr K P Threlfall (Chairman)	Resigned 4 July 2020	Finance, Remuneration, Foundation (Also invited to attend other committees in his capacity as Chair)
Prof. N T Ratcliffe (Chairman)	Appointed as Chair 5 July 2020	Finance, Education, Marketing, Personnel, Foundation, Remuneration, Compliance (Also invited to attend other committees in his capacity as Chair)
Mrs M M Amos		Finance
Mrs E L Bell		Education, Personnel, Compliance
Mr J S F Cash		Premises, Compliance
Mr M F Coffin		Finance
Mr A D Coley		Premises, Remuneration, Enterprise
Mr D A Cooper		Education, Compliance
Mrs J Dickson		Safeguarding, Foundation, Compliance
Mrs E Evans		Premises, Marketing, Enterprise
Mr B W Hinton		Education, Marketing, Safeguarding, Personnel, IT, Foundation, Remuneration
Capt. M Huddy		Premises, Safeguarding, IT, Foundation
Mr C J Lewis		Finance, Marketing, Credit, Enterprise
Mrs B McNally-Young		Personnel, IT,

None of the directors has any beneficial interest in the company.

Denstone College buys trustees and officers insurance on behalf of the directors.

AUDITORS

RSM UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2020

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting 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 and group will continue in business.

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Approved by the Board of Directors of Denstone College on 11 January 2021, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Prof. N T Ratcliffe
CHAIRMAN

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2020

Opinion

We have audited the financial statements of Denstone College Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2020 which comprise the Group and Charity Statements of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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

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

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

Other information

The Directors are responsible for the other information. 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.

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

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the incorporated Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 Statement of Directors' responsibilities set out on page 18, 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 Directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED *YEAR ENDED 31ST AUGUST 2020*

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.

Dale Thorpe (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
9th Floor, 3 Hardman Street
Manchester
M3 3HF

12 January 2021

DENSTONE COLLEGE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2020 £	2019 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	8,391,692	-	-	8,391,692	9,125,911
Ancillary trading income	3	557,683	-	-	557,683	782,593
Other trading activities						
Non-ancillary trading income	4	113,220	-	-	113,220	450,725
Investments						
Investment income	5	-	3,163	9,683	12,846	16,181
Bank and other interest	6	130	-	-	130	65
Other – Grants and donations						
Grants and donations	7	552,802	-	-	552,802	282,542
TOTAL INCOMING RESOURCES		<u>9,615,526</u>	<u>3,163</u>	<u>9,683</u>	<u>9,628,372</u>	<u>10,658,017</u>
Expenditure on:						
Raising funds						
Non-ancillary trading	8	129,894	-	-	129,894	190,175
Financing costs	9	60,733	-	-	60,733	128,649
Investment management		-	1,904	525	2,429	2,454
Fundraising and development		20	-	-	20	475
TOTAL DEDUCTIBLE COSTS		<u>190,647</u>	<u>1,904</u>	<u>525</u>	<u>193,076</u>	<u>321,753</u>
Charitable Activities						
Education and grant making	8	9,640,946	-	9,683	9,650,629	9,919,576
TOTAL EXPENDITURE		<u>9,831,593</u>	<u>1,904</u>	<u>10,208</u>	<u>9,843,705</u>	<u>10,241,329</u>
Net gains/(losses) on investment assets	14,15	-	(6,225)	(28,533)	(34,758)	(1,265)
Net income/(expenditure)		<u>(216,067)</u>	<u>(4,966)</u>	<u>(29,058)</u>	<u>(250,091)</u>	<u>415,423</u>
Net movement in funds for the year		<u>(216,067)</u>	<u>(4,966)</u>	<u>(29,058)</u>	<u>(250,091)</u>	<u>415,423</u>
Fund balances at 1st September 2019		<u>5,744,223</u>	<u>138,652</u>	<u>316,111</u>	<u>6,198,986</u>	<u>5,783,563</u>
FUND BALANCES AS AT 31ST AUGUST		<u><u>5,528,156</u></u>	<u><u>133,686</u></u>	<u><u>287,053</u></u>	<u><u>5,948,895</u></u>	<u><u>6,198,986</u></u>

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 26 to 49 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2020 £	2019 £
Income and endowments from:						
Charitable Activities						
School fees receivable	2	8,391,692	-	-	8,391,692	9,125,911
Ancillary trading income	3	451,161	-	-	451,161	616,986
Other trading activities						
Non-ancillary trading income	4	58,383	-	-	58,383	192,468
Investments						
Investment income	5	-	3,163	9,683	12,846	16,181
Bank and other interest	6	78	-	-	78	28
Other – Grants and donations						
Grants and donations	7	552,898	-	-	552,898	371,326
TOTAL INCOMING RESOURCES		<u>9,454,212</u>	<u>3,163</u>	<u>9,683</u>	<u>9,467,058</u>	<u>10,322,900</u>
Expenditure on:						
Raising funds						
Non-ancillary trading	8	-	-	-	-	-
Financing costs	9	53,292	-	-	53,292	116,688
Investment management		-	1,904	525	2,429	2,454
Fundraising and development		20	-	-	20	475
TOTAL DEDUCTIBLE COSTS		<u>53,312</u>	<u>1,904</u>	<u>525</u>	<u>55,741</u>	<u>119,617</u>
Charitable Activities						
Education and grant making	8	9,616,966	-	9,683	9,626,649	9,786,595
TOTAL EXPENDITURE		<u>9,670,279</u>	<u>1,904</u>	<u>10,208</u>	<u>9,682,391</u>	<u>9,906,212</u>
Net gains/(losses) on investment assets	14,15	-	(6,225)	(28,533)	(34,758)	(1,265)
Net income/(expenditure)		<u>(216,067)</u>	<u>(4,966)</u>	<u>(29,058)</u>	<u>(250,091)</u>	<u>415,423</u>
Net movement in funds for the year		<u>(216,067)</u>	<u>(4,966)</u>	<u>(29,058)</u>	<u>(250,091)</u>	<u>415,423</u>
Fund balances at 1st September 2019		<u>5,744,223</u>	<u>138,652</u>	<u>316,111</u>	<u>6,198,986</u>	<u>5,783,563</u>
FUND BALANCES AS AT 31ST AUGUST		<u><u>5,528,156</u></u>	<u><u>133,686</u></u>	<u><u>287,053</u></u>	<u><u>5,948,895</u></u>	<u><u>6,198,986</u></u>

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 26 to 49 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2020

	Notes	Group 2020 £	2019 £	Charity 2020 £	2019 £
FIXED ASSETS					
Tangible assets	13	8,403,902	8,669,450	8,403,902	8,669,450
Securities investments	14	376,823	414,533	376,923	414,633
		<u>8,780,725</u>	<u>9,083,983</u>	<u>8,780,825</u>	<u>9,084,083</u>
CURRENT ASSETS					
Stock		127,238	90,454	0	13,187
Debtors	15	243,893	694,425	456,668	896,544
Cash at bank and in hand		647,358	200,361	496,323	58,507
		<u>1,018,489</u>	<u>985,240</u>	<u>952,991</u>	<u>968,238</u>
CURRENT LIABILITIES					
Creditors payable within one year	16	(3,067,599)	(2,944,117)	(3,003,377)	(2,927,215)
NET CURRENT LIABILITIES		<u>(2,049,110)</u>	<u>(1,958,877)</u>	<u>(2,050,386)</u>	<u>(1,958,977)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,731,615	7,125,106	6,730,439	7,125,106
LONG TERM LIABILITIES					
Creditors payable after one year	17	(630,865)	(745,020)	(630,865)	(745,020)
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY		6,100,750	6,380,086	6,099,574	6,380,086
Net pension liability	27	(151,754)	(181,000)	(151,754)	(181,000)
NET ASSETS		<u>5,948,996</u>	<u>6,199,086</u>	<u>5,947,820</u>	<u>6,199,086</u>
REPRESENTED BY:					
CALLED UP SHARE CAPITAL	22	100	100	100	100
ENDOWED FUNDS	25	287,053	316,111	287,053	316,111
RESTRICTED FUNDS	25	133,686	138,652	133,686	138,652
UNRESTRICTED FUNDS					
General reserve	25	5,528,157	5,744,223	5,526,981	5,744,223
		<u>5,948,996</u>	<u>6,199,086</u>	<u>5,947,820</u>	<u>6,199,086</u>

The financial statements were approved and authorised for issue by the Board on 11 January 2021 and signed on its behalf by



Prof. Nigel T Ratcliffe

CHAIRMAN

Company registration number 05010957

The notes on pages 26 to 49 form part of these financial statements.

DENSTONE COLLEGE LIMITED

CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST AUGUST 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	34	<u>850,879</u>	<u>601,467</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		12,976	16,246
Purchase of property, plant and equipment		(94,083)	(64,732)
Proceeds from sale of investments		<u>300</u>	<u>2,433</u>
Net cash used in investing activities		<u>(80,807)</u>	<u>(46,053)</u>
Cash flows from financing activities:			
Repayments of overdraft		(262,242)	(373,915)
Financing costs		<u>(60,733)</u>	<u>(64,256)</u>
Net cash used in financing activities		<u>(322,975)</u>	<u>(438,171)</u>
Change in cash and cash equivalents in the year		447,097	117,243
Cash and cash equivalents at the beginning of the year		<u>200,261</u>	<u>83,018</u>
Cash and cash equivalents at the end of the year	29	<u><u>647,357</u></u>	<u><u>200,261</u></u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) Basis of Accounting

The accounts of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

Denstone College meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 35, and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£).

b) Going Concern

The accounts have been prepared on a going concern basis. The Denstone College Board reviews the financial information for the company and the group, and consider whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts.

As at 31 August 2020, the group was in a strong balance sheet position, with net assets of £5,948,996 (2019: £6,199,086). The governing body is aware however that net current liabilities stand at £2,049,110 (2019: net current liabilities of £1,958,877); included within creditors less than one year are fees in advance, which will be taken to income during 2020-21.

The governing body has reviewed in depth the impact of the global pandemic on school operations and finances. In summer term of 2019-20 the financial impact was mitigated through use of the various elements of support provided by the Government including the furlough scheme. The governing body recognise that the financial implications in 2019-20 brought about as a result of the pandemic will continue into 2020-21, and possibly beyond, and continues to rework plans for the coming year, to ensure the financial impact on the school continues to be mitigated in the most appropriate way.

The governing body has also given due consideration to the plans in place for a merger of activities with Denstone College Preparatory School at Smallwood Manor, a small independent preparatory school nearby with whom Denstone College has historically worked very closely, and from where a substantial number of pupils of Denstone College are recruited. The trade and certain business assets of Denstone College Preparatory School at Smallwood Manor will be gifted to Denstone College on 1 September 2021 (or as soon as legally possible). Detailed due diligence has been performed by Denstone College in respect of this planned merger of activities, and the governing body are confident that the financial impact can be dealt with comfortably, through guaranteed support of up to £550k from the parent company Woodard Corporation and through a new loan from the existing bankers Lloyds, with whom Denstone College have long had a supportive working relationship. This is in addition to the existing overdraft facility in place with Lloyds of £750k, which the governing body understand, through discussion with the bank, will be renewed at the same level during February 2021.

Performance of detailed financial modelling, including 18 month cashflow forecasting, demonstrates that through a combination of continually strong pupil numbers, bank balances held, and the financial support offered by both the parent company Woodard Corporation and

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

Lloyds Bank (as detailed above), the school has sufficient cash to remain a going concern for at least 12 months from the anticipated date of signing these accounts. The directors have therefore prepared the financial statements have on a going concern basis.

c) **Group Accounts**

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Entities are consolidated where Denstone College exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

d) **School Fees Receivable and Similar Income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

e) **Ancillary and Non-Ancillary Trading Income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects, for example school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

f) **Other - Grants and Donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. 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 at the value to the school in case of donated services or facilities.

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the schools with no future related costs. It is recognised in income in the period in which it becomes receivable.

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy. The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

h) **Finance and Other Costs**

Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

i) Pension Costs

The school company participates in the Teachers' Pensions scheme, which is an unfunded government scheme, which provide benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes.

The company offers membership of the Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth is a multi-employer pension scheme where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion which is similar to a defined contribution scheme.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in notes 27 and 35.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

j) **Tangible Fixed Assets and Depreciation**

In accordance with Section 35.10 (d) of FRS102, Denstone College has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Where tangible fixed assets have been acquired with the aid of specific grants they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Freehold land is not depreciated

Freehold Buildings:	- Variable according to the building and written off over the expected useful life (see paragraph below)
Freehold improvements	- Over the useful economic life of the improvement
Leasehold land	- Over the shorter of the economic life of the asset or the life of the lease
Leasehold enhancement	- Over the economic life of the asset
Computer equipment	- 25% on cost
Telephone system	- 10% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. Where the calculated depreciation charge is a material figure, it is charged in these financial statements but, where the carrying value is not more than the estimated recoverable amount and the depreciation on the building is not material to these financial statements, it has been assessed, but not charged on the basis that it is not material. The directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

No depreciation is provided for in respect of investment properties in accordance with Section 16 of FRS102. Such properties are held for their investment potential and not for consumption within the business. Investment properties are stated at their fair value at the balance sheet date.

Denstone College exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

k) **Financial Instruments**

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

l) **Securities and Fees in Advance Investments**

Securities and Fees in Advance investments are carried at fair value, which is deemed to be 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. Realised gains and losses are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year. The revaluation reserve reflects the accumulated total of unrealised gains and losses. Uninvested cash is the balance of liquid cash, held as an investment, which has not been invested in securities.

m) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

n) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

o) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet date.

p) **Fund Accounts**

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity. Endowment funds are further sub-divided into permanent and expendable, where required by the terms of the trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

q) **Taxation**

Denstone College is a registered charity and as such are exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The school has a subsidiary company that is subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The tax charged to the profit and loss account is based on the subsidiary company's profit for the year and takes into account tax arising because of timing differences between the treatment of certain items for tax and accounting purposes.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

Taxation (continued)

The subsidiary company distributes the majority of its profits to Denstone College under Gift Aid and tax liabilities are kept to a minimum.

2 CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2020 £	2019 £
The school fees income comprises		
Gross fees	9,450,429	10,420,663
Less: Total scholarships, bursaries, etc	(1,070,696)	(1,294,752)
Add back: Scholarships, grants etc paid for by Restricted Funds	11,959	-
	<u>8,391,692</u>	<u>9,125,911</u>

331 scholarships, bursaries and other awards were paid to 292 pupils (2019: 332 awards to 298 pupils). Within this, means-tested bursaries totalling £436,776 were paid to 58 pupils (2019: £320,824 to 61 pupils).

The value of fee discounts given to parents in respect of online learning made necessary by the COVID-19 pandemic totalled approximately £0.8m (2019: £nil).

3 CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME

	2020 £	2019 £
Extras including pupil transport	422,560	585,424
Entrance fees and registration fees	22,809	24,152
Fees in lieu of notice	5,793	7,410
Other education income	-	-
Sundry other income	106,521	165,607
	<u>557,683</u>	<u>782,593</u>

4 OTHER TRADING ACTIVITIES

	2020 £	2019 £
Non-ancillary trading income		
Denstone College Enterprises turnover	53,094	257,313
Rents receivable	1,426	556
Interest receivable - pupil bills	3,574	201
Other non-ancillary trading income	55,126	192,655
	<u>113,220</u>	<u>450,725</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

5 INVESTMENTS - INVESTMENT INCOME

	Unrestricted £	Restricted £	Endowed £	Total 2020 £	Total 2019 £
Securities investment income					
Equities	-	2,336	8,808	11,144	12,087
Fixed interest	-	783	808	1,591	4,073
Other investments	-	44	67	111	21
	<u>-</u>	<u>3,163</u>	<u>9,683</u>	<u>12,846</u>	<u>16,181</u>

6. INVESTMENTS - BANK AND OTHER INTEREST RECEIVABLE

	Unrestricted	Restricted	Endowed	Total 2020 £	Total 2019 £
Bank interest	130	-	-	130	65
Other interest					
	<u>130</u>	<u>-</u>	<u>-</u>	<u>130</u>	<u>65</u>

7. OTHER - GRANTS AND DONATIONS

	Unrestricted £	Restricted £	Endowed £	Total 2020 £	Total 2019 £
Grants to Denstone College from:					
Denstone College Enterprises Limited	-	-	-	-	88,784
Coronavirus Job Retention Scheme	473,063	-	-	473,063	-
Other grants and donations	86,464	-	-	86,464	282,542
Profit/(Loss) on Sale of Fixed Assets	<u>(6,725)</u>	<u>-</u>	<u>-</u>	<u>(6,725)</u>	<u>-</u>
	<u>552,802</u>	<u>-</u>	<u>-</u>	<u>552,802</u>	<u>371,326</u>

Coronavirus Job Retention Scheme (CJRS) income

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the schools with no future related costs. It is recognised in income in the period in which it becomes receivable.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

8. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff Costs (Note 10) £	Support Costs £	Depreciation (Note 13) £	Total 2020 £	Total 2019 £
Costs of raising funds					
Non ancillary trading - Denstone College Enterprises Ltd - Lettings	28,085	101,809	-	129,894	190,175
Financing cost (Note 9)	-	60,733	-	60,733	128,649
Investment management	-	2,429	-	2,429	2,433
Fundraising and development	-	20	-	20	475
Total cost of generating funds	<u>28,085</u>	<u>164,991</u>	<u>-</u>	<u>193,076</u>	<u>321,732</u>
Charitable expenditure					
Teaching	4,669,945	575,202	116,611	5,361,758	5,290,628
Welfare	598,287	284,623	-	882,910	1,118,100
Premises	761,624	817,407	235,995	1,815,026	2,025,810
School admin & shop	865,561	682,718	-	1,548,279	1,511,685
Grants awards and prizes (Note 8b)	-	12,832	-	12,832	16,284
Movement in pension recovery plan (note 27)	-	5,489	-	5,489	(66,000)
	<u>6,895,417</u>	<u>2,378,271</u>	<u>352,606</u>	<u>9,626,294</u>	<u>9,896,507</u>
Governance costs	<u>-</u>	<u>24,335</u>	<u>-</u>	<u>24,335</u>	<u>23,069</u>
Education and grant making	<u>6,895,417</u>	<u>2,402,606</u>	<u>352,606</u>	<u>9,650,629</u>	<u>9,919,576</u>
Total expenditure	<u><u>6,923,502</u></u>	<u><u>2,567,597</u></u>	<u><u>352,606</u></u>	<u><u>9,843,705</u></u>	<u><u>10,241,308</u></u>

b) Grants' awards and prizes

Denstone College makes awards to individual families to support schooling.

	2020 £	2019 £
From Endowed Funds:		
Other grants and awards	9,682	11,959
From Restricted Funds:		
Other grants and awards	-	-
From Unrestricted Funds:		
Other grants and awards	3,150	4,325
	<u>12,832</u>	<u>16,284</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

8 ANALYSIS OF EXPENDITURE (Continued)

c) Total resources expended include:

Denstone College reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. No trustees were reimbursed during the year.

	2020 £	2019 £
Remuneration paid to auditor for audit services	19,000	16,600
Depreciation of tangible fixed assets		
- owned by the Charitable Company	352,606	353,294
Operating lease rentals:		
- other assets	278,876	5,647
Cost of stock/inventories recognised as an expense in the period	78,201	532,113
Reimbursement of personal expenses to governors	-	-

9 FINANCING COSTS

	2020 £	2019 £
Bank interest payable	5,141	5,218
Fees in advance and debt financing costs	25,895	36,813
Pension Scheme financing cost	2,775	22,214
Bank charges	12,012	17,322
Other finance costs	811	11
Provision for bad and doubtful debts	14,099	47,071
	<u>60,733</u>	<u>128,649</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

10 STAFF COSTS

	2020 £	2019 £
The aggregate payroll costs for the year were:		
Wages and salaries	5,554,243	5,526,468
Social security costs	534,965	529,862
Other pension costs	834,436	611,770
Private medical insurance	(142)	2,203
	<u>6,923,502</u>	<u>6,670,303</u>

Included in staff costs are redundancy or termination payments totalling £61k (2019: nil).

None of the governors received remuneration or other benefits from Denstone College or from any connected body.

The Headmaster, Bursar and Second Master are classed by the school as being the Key Management Personnel.

	2020 £	2019 £
Aggregate employee benefits of key management personnel	<u>327,376</u>	<u>220,902</u>

The number of higher paid employees whose annual emoluments were £60,000 or more was:

	2020 No	2019 No
£60,001 - £70,000	5	-
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£110,001 - £200,000	-	-

The number with retirement benefits accruing:
- in Defined Contribution schemes was

	1	-

Of which the contributions amounted to

	£0	£0

- in Defined Benefit schemes was

	7	2

Of which the contributions amounted to

	£109,172	£28,338

For 2020 there are zero (2019: zero) employees earning over £60,000 per year that have chosen not to participate in a pension scheme.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

10. STAFF COSTS (Continued)

The average number of employees during the year calculated on a head count basis, was 223 (2019: 232)

	2020 No	2019 No
Teaching	84	88
Welfare	39	43
Premises	38	41
Support	57	56
Other activities	5	4
	223	232

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £2,583 were awarded to children of directors attending the school (2019: £6,352).

12. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

13. TANGIBLE FIXED ASSETS

Group and company

	Assets under construction	Freehold Land & Buildings	Plant & Equipment	Computer Equipment	Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 st September 2019	-	9,463,106	491,212	709,681	552,833	48,445	11,265,277
Additions	77,896	-	16,187	-	-	-	94,083
Disposals	-	-	(38,936)	(38,305)	-	(10,100)	(87,341)
At 31st August 2020	77,896	9,463,106	468,463	671,376	552,833	38,345	11,272,019
Depreciation							
At 1 st September 2019	-	1,508,048	322,692	420,837	303,122	41,128	2,595,827
Charge for the year	-	152,141	33,611	116,611	42,024	5,521	349,908
Additions	-	-	2,698	-	-	-	2,698
Disposals	-	-	(31,911)	(38,305)	-	(10,100)	(80,316)
At 31st August 2020	-	1,660,189	327,090	499,143	345,146	36,549	2,868,117
Net book value at 31st August 2020	77,896	7,802,917	141,373	172,233	207,687	1,796	8,403,902
Net book value at 31 st August 2019	-	7,955,058	168,520	288,844	249,711	7,317	8,669,450

All tangible assets are held for charitable activities.

Finance leases and hire purchase contracts

The College had no finance leases or hire purchase obligations.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

14. SECURITIES INVESTMENTS

	Fees in Advance Investments		Securities Investments	
	2020	2019	2020	2019
	£	£	£	£
Group investments				
At 1 September	-	-	414,533	418,231
Amounts extracted	-	-	-	-
Investment management fees	-	-	(2,952)	(2,433)
Realised gains/(losses) on investments	-	-	-	-
Unrealised gains/(losses) on investments	-	-	(34,758)	(1,265)
Group investments at 31 August	-	-	376,823	414,533
Investment in subsidiaries	-	-	100	100
Company investments at 31 August	-	-	376,923	414,633
Investments comprise:				
Listed investments				
Fixed interest	-	-	118,428	117,991
Equities	-	-	247,465	282,660
Unlisted investments				
Land and buildings				
Other				
Cash	-	-	10,930	13,882
Group investments at 31 August			376,823	414,533
Investment in subsidiaries	-	-	100	100
Company investments at 31 August	-	-	376,923	414,633

Denstone College owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England/Wales. Further details are provided in note 33.

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

The main Securities Investments and Fees in Advance Scheme Investments deposits are managed for Denstone College by UBS Wealth Management (UK). All investments are managed and held in the UK.

Holdings at the year-end comprising more than 5% of the total are:

Artemis Income Fund Units	28.4%
M&G Securities Corporate BD	17.0%
Threadneedle Cross Industrial Funds	14.1%
iShares PLC FTSE 100 Fund	14.4%
iShares Corporate Bond Fund	15.3%
iShares S&P 500 SHS	10.7%

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

15. DEBTORS

	Group 2020 £	2019 £	Company 2020 £	2019 £
School fees receivable	13,932	377,680	13,932	377,680
Trade debtors	35,543	109,848	35,372	-
Staff loans	-	4,215	-	4,215
Other debtors	38,101	112,962	38,101	81,905
Prepayments and accrued income	149,218	84,227	149,218	80,868
Tax recoverable	3,314	5,493	-	5,493
Amounts due from subsidiary company	-	-	216,261	346,383
Amounts due from parent company	3,784	-	3,784	-
	243,892	694,425	456,668	896,544

16 CREDITORS: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	-	262,242	-	262,242
Deposits from parents	116,014	66,562	116,014	66,562
Fees received from parents in advance of term	702,501	1,086,307	702,501	1,086,307
Trade creditors	662,052	495,669	605,994	481,004
Taxation and social security	496,704	126,650	496,704	126,650
Other creditors	142,832	134,279	136,074	133,650
Fees in Advance Scheme	838,433	639,737	838,433	639,737
Accruals	109,063	128,887	107,657	127,279
Amounts due to Woodard Corporation	-	3,784	-	3,784
	3,067,599	2,944,117	3,003,377	2,927,215

17 CREDITORS: amounts falling due after one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Deposits from parents	150,260	198,851	150,260	198,851
Fees in Advance Scheme	480,605	546,169	480,605	546,169
	630,865	745,020	630,865	745,020

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

18 BANK FACILITY

The College has an overdraft facility of £750,000 with Lloyds Bank subject to annual review with the next review due on 28 February 2021 and secured by an unlimited debenture on 17 April 2018.

19 FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the college, fees in advance will be applied as follows:

	2020 £	2019 £
After 5 years	-	10,734
Within 2 to 5 years	190,123	276,846
Within 1 to 2 years	290,482	258,589
Due after more than one year	480,605	546,169
Within 1 year	838,433	639,737
	<u>1,319,038</u>	<u>1,185,906</u>

Summary of movements in liability

	£
Balance at 1 September 2019	1,185,906
New contracts	663,636
Amounts used to pay fees	(482,506)
Repayments to parents	(47,998)
Balance at 31 August 2020	<u>1,319,038</u>

20 FINANCE LEASE OBLIGATIONS

The College had no finance lease obligations.

21 COMMITMENTS UNDER OPERATING LEASES

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

The future minimum commitments under non-cancellable operating leases are:

	2020	2019
	£	£
Within 1 year	90,579	5,647
Within 1 to 5 years	188,297	-
	<u>278,876</u>	<u>5,647</u>

22. SHARE CAPITAL

	2020	2019
	£	£
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

23. FUNDS

Denstone College's funds are analysed under the following headings:

a) ENDOWED FUNDS

Special Endowment

The Special Endowment funds of the company include a number of individual trust and prize funds set up by donors as permanent capital. The income generated is restricted to funding scholarships, bursaries, grants and prizes.

b) RESTRICTED FUNDS

The benefit fund is held in trust by the Woodard Corporation to assist former pupils by contributing towards the school fees of their children or dependents or in such a manner (being exclusively charitable) as the Trustees consider for their benefit. The fund has been built up by voluntary contributions. The College Council has power to determine on behalf of the Trustees which pupils shall receive benefit and the nature and extent of such benefit. The purpose is to provide financial support to pupils whose family circumstances would otherwise prevent them from attending the College.

c) UNRESTRICTED FUNDS

Unrestricted funds represent accumulated income from the school's activities and other sources that are available for the general purposes of the school.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted £	Restricted £	Endowed £	Total 2020 £	Total 2019 £
Tangible fixed assets	8,403,902	-	-	8,403,902	8,669,450
Securities investments	-	117,761	259,062	376,823	414,533
Fees in Advance Scheme	(1,319,038)	-	-	(1,319,038)	(1,185,906)
Net current					
(liabilities)/assets	(1,254,693)	15,925	27,991	(1,210,777)	(1,319,240)
Long term liabilities	(302,014)	-	-	(302,014)	(379,851)
	<u>5,528,157</u>	<u>133,686</u>	<u>287,053</u>	<u>5,948,896</u>	<u>6,198,986</u>

Charity	Unrestricted £	Restricted £	Endowed £	Total 2020 £	Total 2019 £
Tangible fixed assets	8,403,902	-	-	8,403,902	8,669,450
Securities investments	100	117,761	259,062	376,923	414,633
Fees in Advance Scheme					
investments	(1,319,038)	-	-	(1,319,038)	(1,185,906)
Net current					
(liabilities)/assets	(1,255,969)	15,925	27,991	(1,212,053)	(1,319,340)
Long term liabilities	(302,014)	-	-	(302,014)	(379,851)
	<u>5,526,981</u>	<u>133,868</u>	<u>287,053</u>	<u>5,947,720</u>	<u>6,198,986</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

25. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 Sept 2019 £	Incoming resources £	Resources expended £	Gains/ (losses) £	At 31 August 2020 £
Endowed - Expendable					
Revaluation reserves	89,065	-	-	(28,533)	60,532
Scholarships, bursary & prize trust funds	227,046	9,683	(10,208)	-	226,521
	316,111	9,683	(10,208)	(28,533)	287,053
Restricted Funds					
Revaluation reserves	44,609	-	-	(6,225)	38,384
Scholarships, bursary & prize	94,043	3,163	(1,904)	-	95,302
	138,652	3,163	(1,904)	(6,225)	133,686
Unrestricted Funds					
General Reserve	5,744,223	9,615,527	(9,831,593)	-	5,528,157
	5,744,223	9,615,526	(9,831,593)	-	5,528,156
Share Capital	100	-	-	-	100
Total Funds	6,199,086	9,628,373	(9,843,705)	(34,758)	5,948,995

26. CAPITAL COMMITMENTS

At 31 August 2020, the group had capital commitments as follows:

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	-	-

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

27. PENSION SCHEMES

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,057k (2019: £819k) and at the year-end £502k (2019 - £67k) was accrued in respect of contributions to this scheme. As part of the Government support package to help businesses during the COVID-19 pandemic they offered payment holidays to businesses. We took advantage of the scheme and agreed payment holidays from April to August. All payments will be caught up by February 2021 and are planned in the cash-flow budget.

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 2019. The employer contribution rate was 23.6% from 1 September 2019. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

TPT Retirement Solutions

A further full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 31 January 2025:	£33k per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 30 January 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the employer has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

27. PENSION SCHEMES (Continued)

Present Values of Provision	2020 £000s	2019 £000s
Present value of provision	152	181
Reconciliation of opening and closing provisions	2020 £000s	2019 £000s
Provision at 1 September	181	247
Unwinding of the discount factor	2	4
Deficit contribution paid	(32)	(33)
Remeasurements - impact of any change in assumptions	1	3
Remeasurements - amendments to the contribution schedule	-	(40)
Provision at 31 August	152	181

Income and expenditure impact	2020 £000s	2019 £000s
Interest expense	2	4
Unwinding of the discount factor	-	-
Remeasurements - impact of any change in assumptions	1	3
Remeasurements - amendments to the contribution schedule	-	(40)
	2020	2019

Assumptions	% per annum	% per annum
Rate of discount	0.55	0.97

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Deficit Contributions Schedule

The following schedule shows the deficit contributions agreed between the company and the scheme at each year end period:

	2020 £000s	2019 £000s
Year 1	33	32
Year 2	34	33
Year 3	35	34
Year 4	36	35
Year 5	15	36
Year 6		15

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

27. PENSION SCHEMES (Continued)

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

28. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2020 £	2019 £
Net income for the period (as per the Statement of Financial Activities)	(250,091)	415,423
Adjustments for		
Depreciation charges	352,606	353,294
(Gains)/losses on investments	34,758	1,265
Dividends, interest and rents from investments	(12,976)	(16,246)
Financing costs	60,733	64,256
Investment Management Fees	2,952	-
Loss/(profit) on the sale of fixed assets	6,725	-
(Increase)/decrease in stocks	(36,784)	(15,127)
(Increase)/decrease in debtors	450,532	52,266
Increase/(decrease) in creditors	242,323	(253,664)
Net cash provided by (used in) operating activities	850,879	601,467

29. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand and at bank	647,358	200,631
Other loans	-	-
Overdraft facilities repayable on demand	-	-
Total cash and cash equivalents	647,358	200,631

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

30. SUBSIDIARIES

The Company owns all of the share capital of Denstone College Enterprises Limited (DCEL), a company incorporated in England and Wales (Company number: 05181951). This company carries out trading activity on behalf of the school including commercial letting and sales from the school's tuck shop which also includes uniform.

Denstone College Enterprises Limited had a turnover of £161k (2019: £424k), gross profit of £3k (2019: £82k), and a profit before tax and gift aid of £0.1k in the year ended 31 August 2020 (2019: profit of £79k). At 31 August 2020 the company had shareholder's funds of £100 (2019: £100).

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

31 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - Comparative figures by fund type

Year ended 31 August 2019	Unrestricted £	Restricted £	Endowed £	Total £
Income and endowments from				
Charitable activities				
School fees receivable	9,125,911	-	-	9,125,911
Ancillary trading income	782,593	-	-	782,593
Other trading activities				
Non-ancillary trading income	450,725	-	-	450,725
Other activities	-	-	-	-
Investments				
Investment income	-	4,222	11,959	16,181
Bank and other interest	65	-	-	65
Voluntary sources				
Grants and donations	282,542	-	-	282,542
Other incoming resources				
Total incoming resources	<u>10,641,836</u>	<u>4,222</u>	<u>11,959</u>	<u>10,658,017</u>
Expenditure on:				
Raising funds				
Non ancillary trading	190,175	-	-	190,175
Other income generating activities		-	-	-
Financing costs	128,649	-	-	128,649
Investment management	(11,938)	2,341	12,051	2,454
Fundraising and development	475	-	-	475
Total deductible costs	<u>307,361</u>	<u>2,341</u>	<u>12,051</u>	<u>321,753</u>
Charitable activities				
Education and grant making	9,919,576	-	-	9,919,576
Total resources expended	<u>10,226,937</u>	<u>2,341</u>	<u>12,051</u>	<u>10,241,329</u>
Net gains/(losses) on investment assets	-	2,706	(3,971)	(1,265)
Net income/(expenditure)	<u>414,899</u>	<u>4,587</u>	<u>(4,063)</u>	<u>415,423</u>
Transfers between funds	-	-	-	-
Other recognised gains/(losses)				
Pension scheme actuarial gains/(losses)	-	-	-	-
Net movement in funds for the year	<u>414,899</u>	<u>4,587</u>	<u>(4,063)</u>	<u>415,423</u>
Fund balances at 1 September	5,329,324	134,065	320,174	5,783,563
Fund balances at 31 August	<u><u>5,744,223</u></u>	<u><u>138,652</u></u>	<u><u>316,111</u></u>	<u><u>6,198,986</u></u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2020

32. CONTINGENT LIABILITIES

The College has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2019. As of this date the estimated employer debt for the Company was £516,791, including Series 3 liabilities.

33. ULTIMATE CONTROLLING PARTY

The Woodard Corporation Limited is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of Denstone College Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

34. RELATED PARTIES

As stated in note 31, Denstone College Limited is a wholly owned subsidiary of The Woodard Corporation. An amount of £45,303 (2019: £64,274) was paid during the year to Woodard Corporation by way of a levy to meet running costs. This was only for 2 terms, 1 term reduction due to COVID-19. There was a £0 balance (2019: £0) outstanding at the year end.

The company also controls a subsidiary trading company, Denstone College Enterprises Limited (DCEL). An amount of £96 (2019: £78,784) was given by DCEL to the company by gift aid. Other transactions between the two companies totalling £138,598 (2019: £267,968) comprised: salary costs; costs of purchases made by the company on behalf of DCEL; and items from the School Shop charged to pupil bills.

During the year we made payments totalling £22k to Ainsley & Partners. A Director of the College holds a 50% equity share in Ainsley & Partners. The payment relates to professional fees associated with the preparatory school project.

35. POST BALANCE SHEET EVENTS

Nothing to report.

36. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash-flows. Accounting policies are shown at note 1 to the financial statements.

Pension scheme deficit reduction payments

As explained at note 27, there is a deficit reduction plan in place in respect of Denstone College's membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Pension scheme contingent liability

Per note 31, there is a contingent liability in the event that Denstone College were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries, inflation, mortality rates and the selection of appropriate discount rates.

Provision for bad debts

Estimating amounts to provide against recovery of debts is a matter of judgement.

Depreciation, impairment and residual values of fixed assets

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates for depreciation, and for matters of impairment.

Denstone College Limited

Audit findings report
year ended 31 August 2020

12 January 2021



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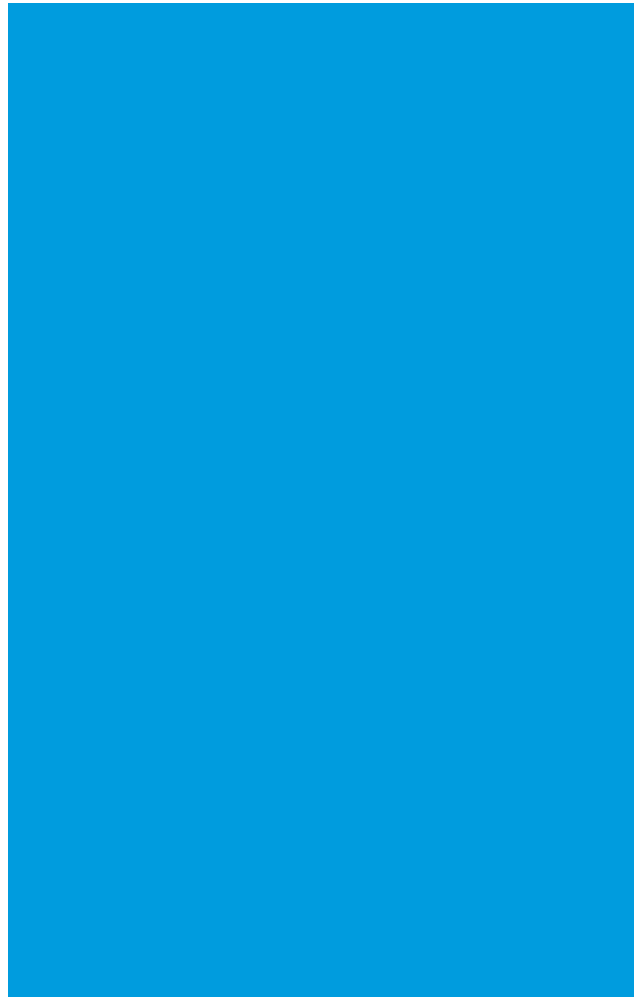
Appendix 18

Executive Summary

This report summarises our key findings in connection with the audit of the financial statements of Denstone College Limited and its subsidiary in respect of the year ended 31 August 2020.

The scope of our work was communicated to you via our Audit Plan document. We believe that the audit approach adopted will provide the Board with the required confidence that a thorough and robust audit has been carried out.

Our audit work is now complete and we will issue an unmodified audit opinion on the group's financial statements in line with the agreed timetable.



Risks and approach

We have carried out testing as planned on the risks identified during planning and draw your attention to the following key points for discussion:

- Going concern and the impact of Covid-19

Additional matters

While some audit findings are consistent with those reported to management last year, we would like to bring to your attention that we have noted a significant improvement in the financial control environment and audit management of the bursary team. Our findings show that certain areas are a work in progress, but we thank Maria Walker and her team for the work that has been undertaken throughout the year under difficult circumstances to improve the quality and reliability of financial information. We believe management are making the right steps to have appropriately experienced and competent individuals in place.

In addition, the following matters came to light as a result of our work, which are covered later in this report:

- Recognition of furlough income
- Disclosure of parental deposits

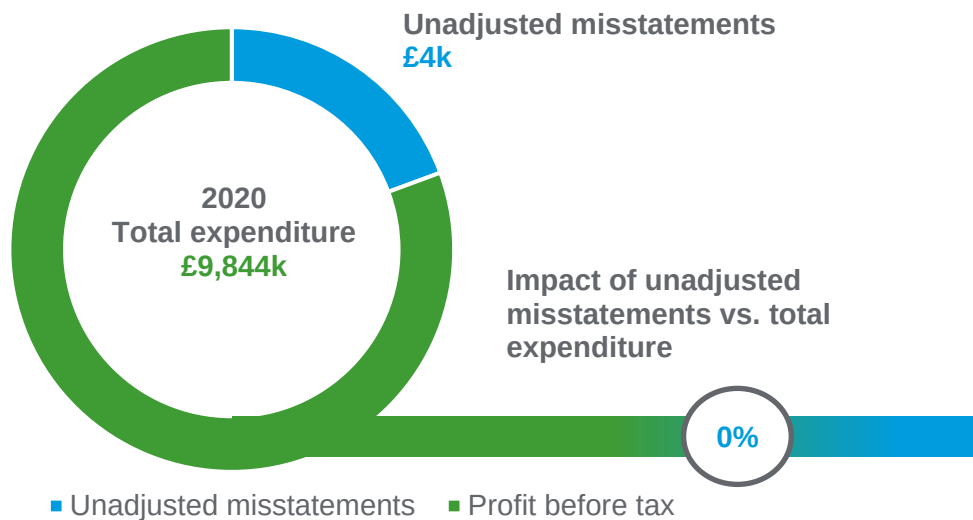
Final materiality

Group Materiality was determined based on 2.4% of total expenditure for the year.

No changes have been necessary to the materiality level noted in our planning document to reflect final year end results.

Unadjusted audit misstatements

We have identified potential audit misstatements of £4k which would have a 0% impact on the total expenditure as highlighted below. A list of the unadjusted misstatements is included in the Appendix.



Disclosure misstatements and omissions

There are no significant known misstatements or omissions which have not been updated by management.

Risks identified at the planning stage

Risk	Description	Response	Findings
Recoverability of fee debtors	School fees represent Denstone College's principal income stream. This presents a risk surrounding whether fees in relation to all pupils are complete and recoverable. This is of particular relevance this year given the impact Covid-19 may be having on the ability of some parents to pay fees as they fall due. From our planning discussions, we are aware that measures are in place to minimise the level of fees owing at the year-end and that there does not appear to be a significant issue; However, we will pay particular attention to this area of the audit this year.	We will enquire, walkthrough test and document our understanding of the processes and controls over fee income and the debtor's cycle. We will prepare an expected fee level based on pupil numbers and agreed fees per term, and the amounts deferred. We will review a sample of the fees owed at the year end and assess their recoverability by evidence of receipts after the year end and discussion with management about any arrangements in place to recover these debts. We will review the aggregate bad and doubtful debt provision and ensure that it is adequate but not excessive. We will review discounts/concessions offered.	Our approach to testing of outstanding fee debtors was changed, as it was not possible to obtain a reconciled billing ledger report as at the year end date. We understand that the implementation of a new accounting system during 2020/21 should rectify this issue; if not, we recommend this report is run on the 31 August 2021 year end date to enable this testing to take place. In order to gain comfort over the balance we obtained the billing ledger report for a post year end date during the audit and reconciled it to the nominal ledger as at that date. No issues were noted with this reconciliation, giving comfort over the integrity of the billing and financial reporting systems. Additionally, we tested the reliability of the post year end billing ledger report by confirming a sample of accounts to backing evidence. This testing was satisfactory. Finally, we tested the recoverability of fee debtors using the post year-end report, reviewing the potential need for a bad debt provision. We concluded that no material provision is required, which shows the significant improvement in fee recoverability compared to last year.
Going concern and the impact of Covid-19	It is the responsibility of the Directors/Trustees to assess whether the group is a going concern. Due to continuing uncertainties in the wider economy both directly and indirectly related to the Coronavirus pandemic, the appropriateness of the Going Concern assumption cannot be presumed irrespective of performance during the year. The impact of Covid-19 (Coronavirus) is having an adverse effect on the trading performance and profitability of entities as well as the wider economy. This is expected to impact accounting estimates	We have discussed the implications of the Coronavirus outbreak for the audit timetable with management and this has been accommodated in the Timing of the audit section of the Audit Plan. As part of our audit we will consider: - Management's analysis of the ongoing and potential impact of the Coronavirus outbreak on the entity's business model and strategies e.g. fee income, pupil recruitment, costs, availability of labour, and financing arrangements. - The forward-looking assumptions used by management in their assessments relating to asset valuations (e.g. property, financial instruments etc),	We reviewed the core budget and cashflow forecast as well as a sensitised forecast to ensure sufficient headroom in the event of a downturn in pupil numbers, or fluctuations in cashflow. This has shown that the School is most likely able to operate within its bank overdraft facility, with sufficient headroom should pupil numbers not be as expected or suffer from a change in costs or cash projections. We have considered the potential financial impact to the school of the planned merger with Denstone College Preparatory School in summer 2021. This included a review of the bank finance offer, which is yet to be finalised, and provide the necessary financial support to allow this project to go ahead. We have also discussed this with Lloyds Bank.

Risk	Description	Response	Findings
	and judgements in the financial statements, in particular, the valuation of investments and the recoverability of fee debtors. It is also expected to affect the associated disclosures in the financial statements and accompanying documents, in particular, principal risks and uncertainties in the strategic report, liquidity and credit risk disclosures in the directors' report, critical accounting estimates and judgements in the notes to the accounts. We are also aware that some staff were furloughed during the year due to Covid-19 under the Coronavirus Job Retention Scheme. There is a risk that the scheme rules have not been applied correctly. Given the unpredictable nature and impact of the outbreak and how rapidly responses are changing, particular attention will need to be given with regards to the going concern basis of accounting and its related disclosures. The nature, timing and extent of our audit procedures is expected to be impacted in the following ways: - Increased risk associated with the valuation of particular assets and unrecorded liabilities as set out above; - Increased focus on management's going concern assessment and associated disclosures; - The need to regularly revisit our risk assessment and responses to those risks as more information comes to light regarding the impact of the virus and government-imposed restrictions; - Access to premises, people and transport and our ability to conduct alternative audit procedures.	asset impairment reviews, going concern and valuation of pension deficits. - Management's sensitivity analysis to reasonably possible changes in their assumptions, including downsides. - Management's scenario analysis and contingency plans. - Supporting evidence provided by management for their assumptions, and related disclosures, and challenge where necessary. - Sufficiency of related disclosures in the financial statements, depending on the degree of sensitivity to changes in assumptions and whether there is a significant risk of causing a material adjustment to the carrying amount of assets and liabilities. - Consistency, adequacy, and specificity of disclosures in the Strategic Report in respect of Coronavirus related principal risks and uncertainties and future plans. - Management's assessment of developments in relation to the Coronavirus outbreak occurring after the reporting date and whether they are adjusting or non-adjusting events, and adequacy of related disclosure. - Implications, if any, for our audit report. - We will review furloughing procedures to ensure staff are furloughed correctly and that government legislation has been followed appropriately. We may seek written representations from management about their plans for mitigating potentially adverse effects of the Coronavirus outbreak.	Management and the board have applied the going concern basis of accounting. On the basis that should this bank financing not be received, the refurbishment building work and the DCPS merger will not go ahead in the next 12 months. We concur with management's assumption that the college is a going concern.

Risk	Description	Response	Findings
	It is essential that we have sufficient time to build the effects of this outbreak into the performance of our audit engagement. It may be necessary for you to defer your reporting deadlines to ensure our quality audit is not compromised and to allow management time to reassess any judgements and estimates as necessary.		
Management override	ISA (UK & Ireland) 240 requires that we plan our work to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk that management may override controls in order to manipulate the financial statements.	Per ISA (UK&I) 240, there are 3 specific areas which an auditor should review in relation to the risk of management override of controls: Appropriateness of Journal Entries These are reviewed as part of the overall analytical review of a balance within the financial statements. A separate risk assessed review of all journals processed in the year will also be undertaken to ensure due process is followed and journals are used appropriately. Review of Accounting Estimates for Bias We will review the financial statements for areas of estimation and bias. The main areas expected are depreciation and the bad debt provision. Understand the rationale for transactions outside the normal course of the client's business Any such transaction of a material nature would be picked up as part of analytical review procedures and discussions with management, as there would likely be a variance from either expected or the prior year balance.	Appropriateness of Journal Entries Testing has been completed and reviewed with no issues noted. We have made some recommendations on page 12 onwards of this report in regard to review and authorisation procedures for journal postings and petty cash management. Review of Accounting Estimates for Bias Our review of the financial statements for areas of estimation and bias did not highlight any significant issues. Our observations in respect of assumptions used in the calculation of depreciation and bad debt provision have not highlighted any issues. Understand the rationale for transactions outside the normal course of the client's business No unusual transactions have been noted from the work performed.
Staff costs	The nature of Denstone College is such that wages and salaries form a very significant part of expenditure in the financial statements. The risk therefore arises that if this is misstated, it is likely to be material.	We will gain an understanding of procedures and controls in place to record and process employee remuneration. We will test the controls in place and place reliance upon these as appropriate. We will analytically review payroll costs and corroborate with management any unusual changes.	Staff costs have been proven to be reasonable and reflect the staff changes during the year; however a control recommendation has been included on page 11 regarding an analysis of staff costs on a full time equivalent basis. We confirmed a sample of salary, social security and pension costs to employee contracts and other backing evidence, for which no issues were noted.

Risk	Description	Response	Findings
Carrying value of school properties	The number of school properties are very old and are depreciated over 100 years. The risk therefore is that the carrying values of the school buildings are overstated and therefore impairment of the buildings may be required.	We will review the depreciation policy of the buildings and confirm whether any impairment review is necessary. We will also consider whether the distinction between fixed asset and investment property has been made appropriately for any residential property, and if relevant if there have been any significant movements in the income streams associated with properties. We will review that the disclosures made in the financial statements are appropriate and adequate.	We were able to perform our work as planned and have no significant issues to bring to your attention in respect of the carrying value of school properties.
Valuation of investments	We understand that certain investments are held by Woodard Corporation on behalf of Denstone College. These may or may not relate to the 'Fees in Advance' scheme. There is a risk that the investments and valuation movements are not correctly accounted for within Denstone College and/or Woodard Corporation's financial statements.	Investments owned by Denstone College should be included within the financial statements in the balance sheet at "fair value", which will normally mean their current open market value – actual or estimated – for publicly traded securities and for investment properties. The valuation of investments will therefore be agreed to confirmations received direct from the investment managers (and if relevant, property valuers). We will review the movements during the year and ensure that these have been correctly reflected in the financial statements. We will also confirm that the accounts disclosures are correct in respect of investments and cash deposits held as part of the 'Fees in Advance' scheme.	We were able to perform our work as planned and have no significant issues to bring to your attention in respect of the valuation of investments.
Brexit financial reporting considerations	As the UK leaves the EU and until the longer-term effects become clear, businesses face a period of political and economic uncertainty which may expose them to new opportunities and/or risks, or change the scale and likelihood of existing ones, that affect their business model and strategies. Significant effects, or possible significant effects, of Brexit will have implications for: - the preparation of the financial statements - Directors Report incorporating the Strategic Report Identifying the significant effects, or possible	As part of our audit we will consider: - Management's analysis of the potential Brexit effects on the entity's business model and strategies. - Management's sensitivity analysis to reasonably possible changes in their assumptions, including downsides. - Supporting evidence provided by management for their assumptions, and related disclosures, and challenge where necessary. - Sufficiency of related disclosures in the financial statements, depending on the degree of sensitivity to changes in assumptions and whether there is a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.	This was discussed with management and we were provided with assurances that due consideration has been given to the potential impact of Brexit. Overseas pupils are not numerous at the College, so any additional administrative work required in respect of visas, or a decrease in overseas pupils, would be manageable. In terms of food supplies, most suppliers to the College are local and stores of dry goods are being gradually increased to cope with possible supply chain issues. It has been agreed that a brief statement in the Trustees' Report will be made to inform users that the expected impact of Brexit on the College will be manageable.

Risk	Description	Response	Findings
	significant effects, of Brexit and assessing their impact may prove challenging in the current political and economic environment. However, we expect management to provide us with their analysis of the potential Brexit effects they have identified, together with supporting evidence in relation to key assumptions and related disclosures.	- Consistency, adequacy, and specificity of disclosures in the Strategic Report in respect of Brexit related principal risks and uncertainties and future plans. - Management's assessment of developments in relation to Brexit occurring after the reporting date and whether they are adjusting or non-adjusting events. - Implications, if any, for our audit report. We may seek written representations from management about their plans for mitigating potentially adverse effects of Brexit.	
Fees in advance	The college operates a fee in advance scheme whereby parents can pay for their children's fees in advance and obtain a discount off the fees over the life of their time at the college. The risk therefore arises that these discounts are incorrectly calculated, and the liability is not split correctly between short-term and long-term liabilities.	We will review a sample of the discount calculations and ensure that these have been appropriately classified in the accounts for the current year. We will also review a sample of the year end liabilities and ensure that these are correctly classified between short term and long-term liabilities.	The calculations and schedules for the fees in advance scheme have been reviewed and reconciled with no issues noted. We have performed detailed testing on a sample of pupils in the fees in advance scheme and concluded no material error in the balance disclosed. We did however have to alter our testing approach due to difficulty in tracing historical fee receipts. This was due to the dates of initial large receipts not being recorded historically, and this has been raised as a control recommendation in the section below so as to ensure a full audit trail of all balances.

Risks identified during the audit

Risk	Description	Response	Findings
Completeness of CJRS (furlough) income.	In our review of CJRS claims submitted by management to HMRC during the year, we noted the August 2020 claim had not been accrued into the 2019/20 financial period, but was recognised in 2020/21.	This was discussed with management and it was concluded to adjust this by accruing for the income in the 2019/20 year.	An increase in grant income of £72k has been adjusted in the financial statements. The adjustment is included in the appendix to this report.
Classification and disclosure of parental deposits.	As noted in our audit report last year, parental deposits are not classified in accordance with the financial reporting framework. FRS102 states that all such deposits should be classified as current liabilities in the accounts. The deposits for Denstone College are currently split between current and non-current in the balance sheet.	This was discussed with management and it was concluded that given the reality of deposit repayments being over a longer period, no change would be made to the accounts. Appropriate disclosure has been made in the accounting policies regarding this decision.	No change has been made to the financial statements in respect of this finding, but an unadjusted misstatement has been included in the appendix to this report to the value of £150k which is immaterial to the overall balance sheet and financial position.

Recommendations on controls

We have set out below recommendations on internal controls which came to our attention during the course of our audit work. This does not constitute a comprehensive statement of all internal control matters or of all improvements which may be made and has addressed only those matters which have come to our attention as a result of the audit procedures performed. An audit is not designed to identify all matters that may be relevant to you and accordingly the audit does not ordinarily identify all such matters.

Assessment	Issue and risk	Recommendations
	Review and authorisation of journal entries There are no formal review or authorisation controls over the posting of journal entries in the nominal ledger. There is a risk that fraudulent or erroneous postings go unnoticed and misstate the financial statements.	Recommendations - We recommend management ensures sufficient review of this information is undertaken on a regular basis. Management Response - Concur, a journal process will be implemented by the new Finance Manager in January 2021
	Bank reconciliations A significant (£21k) bank balance was written off at year end due to the difficulty in reconciling the TB to the bank statements. There is a risk that bank transactions could be erroneous or fraudulent if not reconciled balance by balance on a regular basis.	Recommendations - While we understand cash was carefully reviewed weekly throughout the period and reconciliations have been undertaken post year end, we would recommend these are made a priority and are accessible to all members of the bursary team. Management Response - Concur, weekly reconciliations being completed will be filed in the shared drive, easily accessible to all team members
	FTE cost analysis Management are not able to provide an analysis of employee costs on an FTE basis. Limited data on employee costs increases the risk of inappropriate spend or errors going unnoticed.	Recommendations - The finance team should work with the HR team to obtain the relevant data before performing analysis on employee costs including net cost per FTE employee year on year. Management Response - Concur, this has been requested multiple times and the new Finance Manager is holding a session with HR on 21st December to agree the way forward
	Lack of fees outstanding list As noted above on page 5 it is not possible for management to run a report of outstanding fees as at the year end date in retrospect. There is therefore a risk that the year end fee debtor balance is misstated.	Recommendations - We recommend management contact WCBS to run this report, and in future to run it as part of the month end procedures in order to keep on top of fee debtors. Management Response - We will review the offering from the new Finance system to be implemented in the second quarter of 2021 and expect this might solve this problem

Assessment Issue and risk

Petty cash management

We noted one journal being posted in the year to clear the petty cash account due to some transactions not being properly recorded. There is a risk that if petty cash items are not recorded properly any inappropriate use of funds or loss of cash could go undetected.

Recommendations

- We recommend a review of the petty cash controls to ensure that all transactions are recorded properly and minimise the risk of fraudulent use of cash.

Management Response

- Concur, a petty cash reconciliation will be put in place on a regular, monthly basis

Completeness of purchases

Through our purchases testing we noted that the list of purchase orders not matched to invoice has not been regularly reviewed and includes many POs which have been invoiced and not matched. There is a risk therefore that purchases are missed from being included in the ledger if invoiced late. This is magnified by the fact that not all budget holders are appropriately trained to use the PRS purchase order system, meaning purchases may be missed from the ledger if communication lapses between finance and the budget holder, or if the invoice is late or misplaced.

Recommendations

- We are aware that a training programme is currently being rolled out to the finance team, and through them to all budget holders, to ensure proper and consistent use of the PRS system. This will not only help ensure completeness of purchases, but also strengthen the authorisation and approval process for all costs. We recommend that this is implemented as soon as possible. Additionally, thorough use of the list of purchase orders raised but not invoiced should be made, regularly checking this list to clear down any amounts invoiced but not matched, and investigating the lack of invoice for others. Finally, we suggest that management implement a control to check the completeness of service agreements, expense claims and any other cost which is not included on the PRS system.

Management Response

- Training is in progress and a further review of processes will take place in 2021.

Recording of dates for FIA and deposit receipts

Any amounts received for deposits or part of the FIA scheme are not posted to the pupil/parent account when received as they are accounted for separately in deferred income codes. This means that there is no trigger for management to record the date of receipt of large FIA scheme balances, nor the deposit values. The lack of record keeping for these dates means there isn't a clear audit trail for each balance in the accounts, and it is very difficult to trace the receipts back on the bank statements to view evidence. This increases the risk of misstatement through lack of control.

Recommendations

- We recommend that management include columns on the relevant schedules to show the dates of all receipts, and that this input is checked regularly. Alternatively, the FIA scheme and deposit balances could be posted to the debtor accounts when reconciled to bank, although this would involve a wider change of accounting procedure.

Management Response

- Noted and agreed; this will be given consideration during 2021.

Assessment Issue and risk

Purchase invoice cut off

Two purchase invoices were omitted from the ledger in the year as they were posted into 2021 despite being dated pre year end. This arose due to a lag in passing invoices from the school shop to the finance team, and a lack of control in checking the invoice date when posting to the ledger. There is a risk that purchases and creditors are understated as a result.

Recommendations

- We recommend implementing a policy to ensure all invoices are passed to finance within a specific time period from receipt, and that invoice postings are checked against the date prior to posting to ensure they are recognised in the correct period.

Management Response

- Noted and agreed; this will be given consideration during 2021.

Lack of control over stock

We noted one item for which all items had been written off the stock PASS system in 2019 however 3 physical items had been counted in the physical year end stock count. We also noted 2 items which had not been bought or sold in the last three years but have not been provided for. There is therefore a risk that the stock valuation in the accounts is overstated.

Recommendations

- We recommend more regular physical stock counts and full reconciliation to the stock system after each one. We also recommend regular review of stock items against most recent sale date to assess for any further provision which may be required.

Management Response

- Noted and agreed; this will be given consideration during 2021.

Assessment

- Significant control recommendation
- Other control recommendations

Updates on prior year recommendations

- Brexit impact going forward – please see update above
- Improving controls around trip management – procedures in respect of this are continuing to be addressed during 20/21
- Annual reviews of bursaries and scholarships taking place – stringent and regular reviews take place to ensure bursaries and scholarships remain appropriate
- Improving capture of related parties – procedures in respect of this are continuing to be addressed during 20/21
- Staff purchases accounts (credit card) – staff purchases using the credit card no longer take place and the use of this credit card is being formalised during 20/21
- Fixed assets recording/tagging – procedures in respect of this are continuing to be addressed during 20/21, a new accounting software system is due to be rolled out across the Woodard group.
- Shop stock recording – controls and processes in respect of Enterprises have been strengthened in the year under review. We can confirm we were able to complete our testing with fewer difficulties than last year.
- VAT on lettings – discussions in respect of this are continuing to be addressed during 20/21

Other matters to be reported

Significant qualitative aspects of the entity's accounting practices

We have noted c.£13k of debits on the donation income code which relates to pupils. This was queried with management and has arisen where parents who are struggling to pay fees due to the impact of Covid-19 have been provided with income from the school donation pot, to cover summer term 2020 bills. Although highly immaterial in value, we would like to bring this to your attention as an unusual transaction, and to prompt consideration of the processes and controls in place surrounding the use of these funds.

Other than this, we have nothing significant to bring to your attention that has not been dealt with elsewhere in this report.

Management judgements and accounting estimates

The following areas are considered to be the principal accounting estimates. The graphic below visually represents the impact (lower or higher) on the financial statements of a change in management's estimate. In overview, a reasonably possible change in estimate that has a low impact means that such a change will have limited impact on the financial statements. Conversely a reasonably possible change that has a higher impact, means that such a change can have a significant impact.

Estimates	Low impact		High impact
Provision for bad debts	●		
Provision for obsolete inventory	●		
Income recognition	●		
Valuation of investments		●	
Valuation of pension provision		●	

Significant difficulties encountered during the audit

In the prior year we experienced some difficulties during the audit process, in terms of quality of underlying information and provision of audit deliverables on a timely basis.

This year, in the light of numerous staff changes within the finance team post year end, we worked with management to push back the audit work to later in the year, to allow audit deliverables to be prepared well.

Although this has meant re-scheduling work and has given rise to some additional audit costs that we may need to discuss with you once the audit has been finalised, we have noted a significant improvement in the quality and completeness of the information provided. We would like to extend our sincere thanks to Maria, Clare and the wider finance team for working so hard to provide us with the information we require and meet the overall group audit timetable.

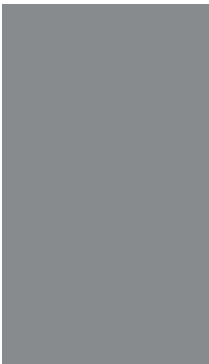
Representations requested

At this stage, we do not anticipate requesting for additional representations to those representations which we request on all audit assignments (<http://www.rsmuk.com/standard-representations>).

Update on matters communicated at the planning stage

Matter communicated	Update
Independence	In accordance with International Standard on Auditing (UK) 260 “Communication with those charged with governance”, there are no changes to the details of relationships between RSM UK Audit LLP including its related entities and persons in a position to influence the conduct or outcome of the audit and Denstone College Limited and its connected parties that may reasonably be thought to bear on our independence, integrity and objectivity and the related safeguards from those disclosed in the Audit Plan [or provide details of changes.

This report has been prepared for the sole use of Denstone College Limited and must not be disclosed to any third party, or quoted or referred to, without our written consent. No responsibility is assumed to any other person in respect of this report.



Adjusted and unadjusted accounting misstatements

A summary of the unadjusted misstatements identified during the course of our work is set out below, analysed between misstatements of fact and differences in judgement.

We have not disclosed below those items that we consider to be “clearly trivial” in the context of our audit. For this purpose, we consider “clearly trivial” to be any matter less than £11,700 individually and in aggregate for Denstone College; and £408 individually and in aggregate for Denstone College Enterprises Ltd.

We advised management of all these misstatements on 14th December 2020 at the audit clearance meeting.

Denstone College Limited

Description	Assets £	Liabilities £	Funds excluding net income effect £	Revenue £	Expenditure £	Net Income/Loss £
Planning after accounting adjustments	9,683,963.19	(3,786,424.23)	(6,197,919.29)	(9,395,096.57)	9,695,977.82	300,881.25
Adjusted Misstatements						
Factual Misstatements						
1 - Adjustment to accrue for the August 2020 furlough income claim.				(71,866.00)		(71,866.00)
2 - Adjustment to write off unreconciled bank balance.	(21,171.00)				21,171.00	21,171.00
Final	9,662,792.19	(3,786,424.23)	(6,197,919.29)	(9,466,962.57)	9,717,148.82	250,186.25
Unadjusted Misstatements						
Reclassification						
3 - Reclassification adjustment to disclose all parental deposits as short term (£150,260).	-	-	-	-	-	-
Total Unadjusted Misstatements	-	-	-	-	-	-
Final after Unadjusted misstatements per TB	9,662,792.19	(3,786,424.23)	(6,197,919.29)	(9,466,962.57)	9,717,148.82	250,186.25
Total Funds			(5,947,733.04)			

Denstone College Enterprises Limited

Description	Assets£	Liabilities£	Equity excluding net income effect£	Revenue£	Expenditure£	Net Income/Loss£
Planning after accounting adjustments	281,757.89	(281,757.92)	96.02	(161,410.86)	161,314.87	(95.99)
Unadjusted Misstatements						
Factual Misstatements						
1 - Adjustment to gross up the debtors and creditors balances in Enterprises for overpayments from customers sat of the debtors ledger.	3,473.00	(3,473.00)				
2 - Adjustment to reconcile the VAT ledger to the latest VAT return as at 31/08/20.	(4,059.00)				4,059.00	4,059.00
3 - Adjustment to correct for overstatement of stock per valuation testing for slow moving items which should be provided for in full (£314)	-					
5 - Adjustment to correct for two invoices incorrectly posted into 2021 instead of 2020.		(7,606.00)			7,606.00	7,606.00
Projected Misstatements						
4 - Projected adjustment for stock provision increase.	-					
Total Unadjusted Misstatements	(586.00)	(11,079.00)	-	-	11,665.00	11,665.00
Final after Unadjusted misstatements per TB	281,171.89	(292,836.92)	96.02	(161,410.86)	172,979.87	11,569.01
Estimated Income tax effect				-	-	-
Total Unadjusted after tax		(11,079.00)		-	11,665.00	11,665.00
Final With Unadjusted including tax effect	281,171.89	(292,836.92)	96.02	(161,410.86)	172,979.87	11,569.01
Total Equity			11,665.03			

Communication of audit matters to those charged with governance

Our communication plan	Audit plan	Audit findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing, materiality and expected general content of communications including significant risks and key audit matters	●	
Confirmation of independence and objectivity	●	●
Significant matters in relation to going concern (if any)		●
Views about significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures (if any)		●
Significant findings from the audit		●
Significant matters and issues arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit (if any)		●
Unadjusted accounting misstatements and material financial statement disclosure omissions		●
Expected modifications to the auditor's report, or emphasis of matter (if any)		●

ISA (UK) 260, as well as other ISAs (UK), prescribes matters which we are required to communicate with those charged with governance, and which we set out in the table here.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while the Audit Findings presents key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Financial statement disclosures

During the course of our audit, we reviewed the adequacy of the disclosures contained within the financial statements and their compliance with both relevant accounting standards and the requirements of the Companies Act 2006, Charities Act 2011, and Charities SORP.

The following disclosure matters were brought to your attention and subsequently adjusted/not adjusted in the revised financial statements.

Unadjusted disclosures

Cashflow Statement - overdrafts are part of cash equivalents so repayments should not feature in financing section. £647k balance at bottom should also be x-ref'd to Note 29 (which included overdraft). Would ideally need to amend comparatives. Impact not considered material.

Adjusted disclosures

Enhancement of Going Concern disclosures, including:

- reference to planned merger/transfer of DCPS, building refurbishment work and additional funding from the bank loan (£2.25m) and Woodard (£550k)
- reference to DC support for the DCPS project and impact of Covid/reduced lettings.

Various presentational/casting issues including group balance sheet correction

Note 28 - cash from operating activities - all numbers in this note re-aligned with the appropriate headings and the heading for Investment Management fees inserted below financing costs.

Adjusted one of the lines by £101 as trivial variance on casting of this note.

Covid-19 related fee discounts disclosed in Note 2

Auditors' remuneration – corrected to be based on audit fees quoted, plus any overruns, for each accounting year

Funds note 23 – update to a) and b) sections

Funds note 24 - formatting updated

Non ancillary trading income labelled as 'Lettings' but also includes school shop expenditure - updated to reflect all costs as lettings are only a small proportion.

Notes number references updated:

Analysis of expenditure note on page 32 = note 8 rather than note 7.

Also directors and tax notes on page 35 = notes 11 and 12 rather than 8 and 9.

All note numbers and references thereafter checked and updated.

Disclosure of furlough income updated - note 7 for donations and grants labelled as 'Other-Grants and Donations' (also in the SOFA), and now shows furlough income of circa £473k on a separate line within this note.

Financial reporting updates

Important updates

The following financial reporting updates have been issued since we presented our audit plan which will be relevant to you.

A full list of financial reporting updates can be found by clicking the link below:



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RSM UK Audit LLP

9th Floor
3 Hardman Street
Manchester
M3 3HF
United Kingdom
T +44 (0)161 830 4000
rsmuk.com

Our Report is prepared solely for the confidential use of Denstone College Limited and solely for the purpose of explaining the scope of the audit, our proposed audit approach, and to highlight the key risks that we will be focusing our audit work upon, forming part of the ongoing communications we are required to make under International Standard on Auditing (UK and Ireland) 260 – Communication of audit matters with those charged with governance. Therefore, the report may not, without our express written permission, be relied upon by Denstone College Limited for any other purpose whatsoever, be referred to in whole or in part in any other external document or made available (in whole or in part) or communicated to any other party. RSM UK Audit LLP neither owes nor accepts any duty to any other party who may receive our Report and specifically disclaims any liability for any loss, damage or expense of whatsoever nature, which is caused by their reliance on our Report.

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