

**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

## CONTENTS

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	<b>Page</b>
Company information	1
Directors' report (incorporating the Strategic report)	2
Independent auditors' report	18
Financial statements of the company	22

# DENSTONE COLLEGE LIMITED

## COMPANY INFORMATION

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### *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 28<sup>th</sup> 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 31<sup>st</sup> August 2021)  
Miss L E Tulloch (from 1<sup>st</sup> August 2021)

#### **Bursar Second Master**

Mrs M A Walker  
Mr J Hartley

#### **Auditors**

RSM UK Audit LLP  
9<sup>th</sup> 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**

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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.

# DENSTONE COLLEGE LIMITED

## **DIRECTORS' REPORT *(incorporating the Strategic Report)*** **YEAR ENDED 31ST AUGUST 2021**

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### **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

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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. 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

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- 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

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

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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



# DENSTONE COLLEGE LIMITED

## **DIRECTORS' REPORT *(incorporating the Strategic Report)*** **YEAR ENDED 31ST AUGUST 2021**

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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 31<sup>st</sup> 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 29<sup>th</sup> 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.

# DENSTONE COLLEGE LIMITED

## **DIRECTORS' REPORT *(incorporating the Strategic Report)*** **YEAR ENDED 31ST AUGUST 2021**

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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

# DENSTONE COLLEGE LIMITED

## **DIRECTORS' REPORT (*incorporating the Strategic Report*)** **YEAR ENDED 31ST AUGUST 2021**

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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,

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

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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.

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

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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 exeats. 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**

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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

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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

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- 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 31<sup>st</sup> 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

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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

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### 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

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### 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

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### 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

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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*

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### 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 £
<b>Income and endowments from:</b>						
<b>Charitable Activities</b>						
School fees receivable	2	8,872,286	-	-	<b>8,872,286</b>	8,391,692
Ancillary trading income	3	570,153	-	-	<b>570,153</b>	557,683
<b>Other trading activities</b>						
Non-ancillary trading income	4	135,659	-	-	<b>135,659</b>	113,220
<b>Investments</b>						
Investment income	5	-	3,402	8,940	<b>12,342</b>	12,846
Bank and other interest	6	17	-	-	<b>17</b>	130
<b>Other – Grants and donations</b>						
Grants and donations	7	495,193	28,861	-	<b>524,054</b>	552,802
<b>Other incoming resources</b>		<b>400</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>-</b>
<b>TOTAL INCOMING RESOURCES</b>	<b>25</b>	<b>10,073,708</b>	<b>32,263</b>	<b>8,940</b>	<b>10,114,911</b>	<b>9,628,372</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Non-ancillary trading	8	141,875	-	-	<b>141,875</b>	129,894
Financing costs	9	49,496	-	-	<b>49,496</b>	60,733
Investment management		-	736	1,786	<b>2,522</b>	2,429
Fundraising and development		2,150	-	-	<b>2,150</b>	20
<b>TOTAL DEDUCTIBLE COSTS</b>		<b>193,521</b>	<b>736</b>	<b>1,786</b>	<b>196,043</b>	<b>193,076</b>
<b>Charitable Activities</b>						
Education and grant making	8	9,869,961	-	8,940	<b>9,878,901</b>	9,650,629
<b>TOTAL EXPENDITURE</b>		<b>10,063,482</b>	<b>736</b>	<b>10,726</b>	<b>10,074,944</b>	<b>9,843,705</b>
Net gains/(losses) on investment assets	14	-	9,056	49,769	<b>58,825</b>	(34,758)
<b>Net income/(expenditure)</b>		<b>10,226</b>	<b>40,583</b>	<b>47,983</b>	<b>98,792</b>	<b>(250,091)</b>
Transfers between funds		-	-	-	-	-
<b>Other recognised gains/(losses)</b>						
Pension scheme actuarial gains	27	67,892	-	-	<b>67,892</b>	-
<b>Net Movement in funds for the year</b>		<b>78,118</b>	<b>40,583</b>	<b>47,983</b>	<b>166,685</b>	<b>(250,091)</b>
Fund balances at 1st September		5,528,157	133,686	287,053	<b>5,948,895</b>	6,198,986
<b>FUND BALANCES AS AT 31ST AUGUST</b>		<b>5,606,275</b>	<b>174,269</b>	<b>335,036</b>	<b>6,115,580</b>	<b>5,948,895</b>

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 £
<b>Income and endowments from:</b>						
<b>Charitable Activities</b>						
School fees receivable	2	8,872,286	-	-	<b>8,872,286</b>	8,391,692
Ancillary trading income	3	457,778	-	-	<b>457,778</b>	451,161
<b>Other trading activities</b>						
Non-ancillary trading income	4	58,682	-	-	<b>58,682</b>	58,383
<b>Investments</b>						
Investment income	5	-	3,402	8,940	<b>12,342</b>	12,846
Bank and other interest	6	6	-	-	<b>6</b>	78
<b>Other – Grants and donations</b>						
Grants and donations	7	515,643	28,861	-	<b>544,504</b>	552,898
<b>Other incoming resources</b>		<b>400</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>-</b>
<b>TOTAL INCOMING RESOURCES</b>	25	<b>9,904,795</b>	<b>32,263</b>	<b>8,940</b>	<b>9,945,998</b>	<b>9,467,058</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Non-ancillary trading	8	-	-	-	-	-
Other income generating activities		-	-	-	-	-
Financing costs	9	47,856	-	-	<b>47,856</b>	53,292
Investment management		-	736	1,786	<b>2,522</b>	2,429
Fundraising and development		<b>2,150</b>	<b>-</b>	<b>-</b>	<b>2,150</b>	<b>20</b>
<b>TOTAL DEDUCTIBLE COSTS</b>		<b>50,006</b>	<b>736</b>	<b>1,786</b>	<b>52,528</b>	<b>55,741</b>
<b>Charitable Activities</b>						
Education and grant making	8	9,845,560	-	8,940	<b>9,854,500</b>	9,626,649
<b>TOTAL EXPENDITURE</b>		<b>9,895,566</b>	<b>736</b>	<b>10,726</b>	<b>9,907,028</b>	<b>9,682,391</b>
Net gains/(losses) on investment assets	14	-	9,056	49,769	<b>58,825</b>	(34,758)
<b>Net income/(expenditure)</b>		<b>9,229</b>	<b>40,583</b>	<b>47,983</b>	<b>97,795</b>	<b>(250,091)</b>
Transfers between funds						
<b>Other recognised gains/(losses)</b>						
Pension scheme actuarial gains	27	67,892	-	-	<b>67,892</b>	-
<b>Net Movement in funds for the year</b>		<b>77,121</b>	<b>40,583</b>	<b>47,983</b>	<b>165,687</b>	<b>(250,091)</b>
Fund balances at 1st September		<b>5,528,156</b>	<b>133,686</b>	<b>287,053</b>	<b>5,948,895</b>	<b>6,198,986</b>
<b>FUND BALANCES AS AT 31ST AUGUST</b>		<b>5,605,277</b>	<b>174,269</b>	<b>335,036</b>	<b>6,114,582</b>	<b>5,948,895</b>

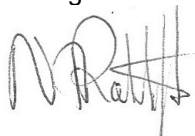
All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 25 to 53 form part of these financial statements.

# DENSTONE COLLEGE LIMITED

## CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2021

	Note	Group 2021 £	2020 £	Charity 2021 £	2020 £
<b>FIXED ASSETS</b>					
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
		<b>10,113,618</b>	8,780,725	<b>10,113,618</b>	8,780,825
<b>CURRENT ASSETS</b>					
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
		<b>1,232,001</b>	1,018,489	<b>1,160,581</b>	952,991
<b>CURRENT LIABILITIES</b>					
Creditors payable within one year	16	(4,545,221)	(3,067,599)	(4,474,899)	(3,003,377)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(3,313,220)</b>	<b>(2,049,110)</b>	<b>(3,314,318)</b>	2,050,386
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>6,800,398</b>	6,731,615	<b>6,799,300</b>	6,730,439
<b>LONG TERM LIABILITIES</b>					
Creditors payable after one year	17	(600,856)	(630,865)	(600,856)	(630,865)
<b>TOTAL NET ASSETS EXCLUDING PENSION LIABILITY</b>		<b>6,199,542</b>	6,100,750	<b>6,198,444</b>	6,099,574
Net pension liability	27	(83,862)	(151,754)	(83,862)	(151,754)
<b>NET ASSETS</b>		<b>6,115,680</b>	5,948,996	<b>(6,114,582)</b>	5,947,820
<b>REPRESENTED BY:</b>					
<b>CALLED UP SHARE CAPITAL</b>	22	100	100	100	100
<b>ENDOWED FUNDS</b>	25	335,036	287,053	335,036	287,053
<b>RESTRICTED FUNDS</b>	25	174,269	133,686	174,269	133,686
<b>UNRESTRICTED FUNDS</b>					
General reserve	25	5,606,275	5,528,157	5,605,177	5,526,981
		<b>6,115,680</b>	5,948,996	<b>6,114,582</b>	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**

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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
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	28	<b>539,380</b>	850,879
<b>Cash flows from investing activities:</b>			
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
<b>Net cash used in investing activities</b>		<b>(1,591,453)</b>	(80,807)
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		-	(262,242)
Cash inflows from new borrowing		1,260,000	-
Financing costs		(49,496)	(60,733)
<b>Net cash provided by / (used in) financing activities</b>		<b>1,210,504</b>	(322,975)
<b>Change in cash and cash equivalents in the year</b>		<b>158,431</b>	447,097
<b>Cash and cash equivalents at the beginning of the year</b>		<b>647,357</b>	200,261
<b>Cash and cash equivalents at the end of the year</b>	29	<b>805,790</b>	647,358

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

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### 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

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

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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

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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

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### 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
	<b>8,872,286</b>	<b>8,391,692</b>

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
	<b>570,153</b>	<b>557,683</b>

### 4. OTHER TRADING ACTIVITIES

	2021 £	2020 £
<b>Non-ancillary trading income</b>		
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
	<b>135,659</b>	<b>113,220</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

### 5. INVESTMENTS - INVESTMENT INCOME

	Unrestricted	Restricted	Endowed	Total 2021 £	Total 2020 £
	£	£	£		
<b>Investment income</b>					
Equities	-	1,936	7,450	<b>9,386</b>	11,144
Fixed interest	-	1,466	1,490	<b>2,956</b>	1,591
Other investments	-	-	-	-	111
	-	3,402	8,940	<b>12,342</b>	12,846

### 6. INVESTMENTS - BANK AND OTHER INTEREST RECEIVABLE

	Unrestricted	Restricted	Endowed	Total 2021 £	Total 2020 £
Bank interest	17	-	-	<b>17</b>	130
	17	-	-	<b>17</b>	130

### 7. OTHER - GRANTS AND DONATIONS

	Unrestricted	Restricted	Endowed	Total 2021 £	Total 2020 £
Grants to Denstone College for bursaries from: Government grants - CJRS	354,134	-	-	<b>354,134</b>	473,063
Other Grants and donations	141,059	28,861	-	<b>169,920</b>	86,464
Profit/(Loss) on Sale of Fixed Assets	400	-	-	<b>400</b>	(6,725)
	495,593	28,861	-	<b>524,454</b>	552,802

#### 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 £
<b>Costs of raising funds</b>					
Non ancillary trading – Denstone College Enterprises Ltd - Lettings	15,809	126,066	-	<b>141,875</b>	129,894
Other income generating activities					
Financing cost (note 9)	-	49,496	-	<b>49,496</b>	60,733
Investment management	-	2,522	-	<b>2,522</b>	2,429
Fundraising and development	-	2,150	-	<b>2,150</b>	20
<b>Total cost of generating funds</b>	<b>15,809</b>	<b>180,234</b>	<b>-</b>	<b>196,043</b>	<b>193,076</b>
<b>Charitable expenditure</b>					
Teaching	4,595,801	610,329	99,422	<b>5,305,552</b>	5,361,758
Welfare	645,589	281,552	-	<b>927,141</b>	882,910
Premises	677,130	1,063,408	228,200	<b>1,968,738</b>	1,815,026
School administration & shop	848,173	784,202	-	<b>1,632,375</b>	1,548,279
Grants awards and prizes (note 8b)	-	9,946	-	<b>9,946</b>	12,832
Movement in pension recovery plan (note 27)	-	33,056	-	<b>33,056</b>	5,489
Governance	-	2,093	-	<b>2,093</b>	24,335
<b>Education and grant making</b>	<b>6,766,693</b>	<b>2,784,586</b>	<b>327,622</b>	<b>9,878,901</b>	<b>9,650,629</b>
<b>Total Expenditure</b>	<b>6,782,502</b>	<b>2,964,820</b>	<b>327,622</b>	<b>10,074,944</b>	<b>9,843,705</b>

# 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 £
<b>From Endowed Funds:</b>		
Other grants and awards	-	9,682
<b>From Unrestricted Funds:</b>		
Prizes and leaving awards	9,946	3,150
	<b>9,946</b>	<b>12,832</b>

#### 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
	<b>49,496</b>	<b>60,733</b>

# 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)
	<b>6,782,502</b>	<b>6,923,502</b>

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	<b>301,631</b>	<b>327,376</b>

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	<b>£116,700</b>	<b>£109,172</b>

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

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### 10. STAFF COSTS (Continued)

The average number of employees during the year calculated on a head count basis was 207 (2020: 223).

	<b>2021 No.</b>	2020 No.
Teaching	<b>85</b>	84
Welfare	<b>31</b>	39
Premises	<b>35</b>	38
Support	<b>52</b>	57
Other activities	<b>4</b>	5
	<hr/> <b>207</b> <hr/>	<hr/> 223 <hr/>

### 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 £
<b>Cost</b>						
At 1 <sup>st</sup> September 2020	9,463,106	77,896	1,021,297	671,376	38,345	11,272,019
Additions	-	1,584,982	-	-	-	1,584,982
<b>At 31<sup>st</sup> August 2021</b>	<b>9,463,106</b>	<b>1,662,878</b>	<b>1,021,297</b>	<b>671,376</b>	<b>38,345</b>	<b>12,857,002</b>
<b>Depreciation</b>						
At 1 <sup>st</sup> 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
<b>At 31<sup>st</sup> August 2021</b>	<b>1,812,330</b>	<b>-</b>	<b>746,499</b>	<b>598,565</b>	<b>38,345</b>	<b>3,195,739</b>
<b>Net book value at 31<sup>st</sup> August 2021</b>	<b>7,650,776</b>	<b>1,662,878</b>	<b>274,798</b>	<b>72,811</b>	<b>-</b>	<b>9,661,263</b>
Net book value at 31 <sup>st</sup> 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 £
<b>Group investments</b>		
At 1 September	<b>376,823</b>	414,533
New money invested	-	-
Reinvested income	<b>266</b>	-
Amounts extracted	-	-
Investment management fees	<b>(3,045)</b>	(2,952)
Realised gains/(losses) on investments	<b>34,104</b>	-
Unrealised gains/(losses) on investments	<b>24,721</b>	(34,758)
Movement in uninvested cash	<b>19,486</b>	-
<b>Group investments at 31 August</b>	<b>452,355</b>	376,823
Investment in subsidiaries	<b>100</b>	100
<b>Company investments at 31 August</b>	<b>452,455</b>	376,923
<b>Investments comprise:</b>		
<b>Listed investments</b>		
Fixed interest	<b>114,620</b>	118,428
Equities	<b>279,895</b>	247,465
<b>Unlisted investments</b>		
Land and buildings		
Other	<b>31,712</b>	-
<b>Cash</b>	<b>26,128</b>	10,930
<b>Group investments at 31 August</b>	<b>452,355</b>	376,823
Investment in subsidiaries	<b>100</b>	100
<b>Company investments at 31 August</b>	<b>452,455</b>	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

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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	<b>99,655</b>	13,932	<b>99,655</b>	13,932
Trade debtors	<b>42,977</b>	35,543		35,372
Other debtors	<b>7,736</b>	38,101	<b>7,736</b>	38,101
Prepayments and accrued income	<b>163,276</b>	149,218	<b>162,337</b>	149,218
Tax recoverable	-	3,314	-	-
Amounts due from subsidiary company	-	-	<b>203,296</b>	216,261
Amounts due from parent company	-	3,784	-	3,784
	<b>313,644</b>	243,892	<b>473,024</b>	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	<b>1,260,000</b>	-	<b>1,260,000</b>	-
Deposits from parents	<b>44,608</b>	116,014	<b>44,608</b>	116,014
Fees received from parents in advance of term	<b>1,480,960</b>	702,501	<b>1,480,960</b>	702,501
Trade creditors	<b>445,234</b>	662,052	<b>442,448</b>	605,994
Taxation and social security	<b>227,330</b>	496,704	<b>216,751</b>	496,704
Other creditors	<b>142,628</b>	142,832	<b>121,182</b>	136,074
Fees in Advance Scheme	<b>466,383</b>	838,433	<b>466,383</b>	838,433
Accruals	<b>478,078</b>	109,063	<b>442,567</b>	107,657
	<b>4,545,221</b>	3,067,599	<b>4,474,899</b>	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
Due after more than one year	<u>352,862</u>	<u>480,605</u>
Within 1 year	<u>466,383</u>	<u>838,433</u>
	<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)
<b>Balance at 31 August 2021</b>	<b>819,245</b>

### 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
	<b>344,445</b>	<b>278,876</b>

### 22. SHARE CAPITAL

	2021 £	2020 £
<b>Authorised</b>		
100 Ordinary Shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
100 Ordinary Shares of £1 each	100	100

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

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### 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	-	-	<b>9,661,263</b>	8,403,902
Securities Investments	-	130,994	321,361	<b>452,355</b>	376,823
Fees in Advance Scheme investments	(819,245)	-	-	<b>(819,245)</b>	(1,319,038)
Net current (liabilities)/assets	(2,903,887)	43,275	13,675	<b>(2,846,937)</b>	(1,210,777)
Long term liabilities	(331,856)	-	-	<b>(331,856)</b>	(302,014)
	<b>5,606,275</b>	<b>174,269</b>	<b>335,036</b>	<b>6,115,580</b>	<b>5,948,896</b>

Charity	Unrestricted £	Restricted £	Endowed £	Total 2021 £	Total 2020 £
Tangible fixed assets	9,661,263	-	-	<b>9,661,263</b>	8,403,902
Securities Investments	-	130,994	321,361	<b>452,355</b>	376,923
Fees in Advance Scheme investments	(819,245)	-	-	<b>(819,245)</b>	(1,319,038)
Net current (liabilities)/assets	(2,904,885)	43,275	13,675	<b>(2,847,935)</b>	(1,212,053)
Long term liabilities	(331,856)	-	-	<b>(331,856)</b>	(302,014)
	<b>5,605,277</b>	<b>174,269</b>	<b>335,036</b>	<b>6,114,582</b>	<b>5,947,720</b>

# 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 £
<b>Endowed - Expendable</b>						
Revaluation Reserves	60,532	-	-	-	49,769	110,301
Scholarships, bursary & prize	226,521	8,940	(10,726)	-	-	224,735
	<b>287,053</b>	<b>8,940</b>	<b>(10,726)</b>	<b>-</b>	<b>49,769</b>	<b>335,036</b>
<b>Restricted Funds</b>						
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
	<b>133,686</b>	<b>32,263</b>	<b>(736)</b>	<b>-</b>	<b>9,056</b>	<b>174,269</b>
<b>Unrestricted Funds</b>						
General Reserve	5,528,156	10,073,708	(10,063,482)	-	67,892	5,606,275
	<b>5,528,156</b>	<b>10,073,708</b>	<b>(10,063,482)</b>	<b>-</b>	<b>67,892</b>	<b>5,606,275</b>
Share Capital	100	-	-	-	-	100
<b>Total Funds</b>	<b>5,948,995</b>	<b>10,114,911</b>	<b>(10,074,944)</b>	<b>-</b>	<b>126,717</b>	<b>6,115,680</b>

### 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	<b>193,166</b>	-



## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

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### 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

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### 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)

<b>Present Values of Provision</b>	<b>2021 £000's</b>	<b>2020 £000's</b>
Present value of provision	<b>84</b>	152
<b>Reconciliation of opening and closing provisions</b>	<b>2021 £000's</b>	<b>2020 £000,s</b>
Provision at 1 September	<b>152</b>	181
Unwinding of the discount factor	-	2
Deficit contribution paid	<b>(33)</b>	(32)
Remeasurements - impact of any change in assumptions	-	1
Remeasurements - amendments to the contribution schedule	<b>(35)</b>	-
<b>Provision at 31 August</b>	<b>84</b>	152

<b>Income and expenditure impact</b>	<b>2021 £000's</b>	<b>2020 £000's</b>
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	-	-

<b>Assumptions</b>	<b>2021 % per annum</b>	<b>2020 % per annum</b>
Rate of discount	<b>0.55</b>	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:

	<b>2021 £000,s</b>	<b>2020 £000,s</b>
Year 1	<b>29</b>	33
Year 2	<b>22</b>	34
Year 3	<b>23</b>	35
Year 4	<b>9</b>	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 £
<b>Net income for the period (as per the Statement of Financial Activities)</b>	<b>98,792</b>	(250,091)
<b>Adjustments for</b>		
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
<b>Net cash provided by (used in) operating activities</b>	<b>539,380</b>	850,879

### 29. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	805,790	647,358
<b>Total cash and cash equivalents</b>	<b>805,790</b>	647,358

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

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### 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
	£	£	£	£
<b>Income and endowments from Charitable activities</b>				
School fees receivable	8,391,692	-	-	<b>8,391,692</b>
Ancillary trading income	557,683	-	-	<b>557,683</b>
<b>Other trading activities</b>				
Non-ancillary trading income	113,220	-	-	<b>113,220</b>
<b>Investments</b>				
Investment income	-	3,163	9,683	<b>12,846</b>
Bank and other interest	130	-	-	<b>130</b>
<b>Voluntary sources</b>				
Grants and donations	552,802	-	-	<b>552,802</b>
<b>Other incoming resources</b>				
<b>Total Incoming Resources</b>	<b>9,615,526</b>	<b>3,163</b>	<b>9,683</b>	<b>9,628,372</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Non ancillary trading	129,894	-	-	<b>129,894</b>
Other income generating activities	-	-	-	<b>-</b>
Financing costs	60,733	-	-	<b>60,733</b>
Investment management	-	1,904	525	<b>2,429</b>
Fundraising and development	20	-	-	<b>20</b>
<b>Total Deductible Costs</b>	<b>190,647</b>	<b>1,904</b>	<b>525</b>	<b>193,076</b>
<b>Charitable activities</b>				
Education and grant making	9,640,946	-	9,683	<b>9,650,629</b>
<b>Total resources expended</b>	<b>9,831,593</b>	<b>1,904</b>	<b>10,208</b>	<b>9,843,705</b>
Net gains/(losses) on investment assets	-	(6,225)	(28,533)	<b>(34,758)</b>
<b>Net income/(expenditure)</b>	<b>(216,067)</b>	<b>(4,966)</b>	<b>(29,058)</b>	<b>(250,091)</b>
Transfers between funds	-	-	-	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Pension scheme actuarial gains/(losses)	-	-	-	<b>-</b>
<b>Net movement in funds for the year</b>				
Fund balances at 1 <sup>st</sup> September	5,744,223	138,652	320,174	<b>6,198,986</b>
<b>Fund Balances at 31<sup>st</sup> August</b>	<b>5,528,156</b>	<b>133,686</b>	<b>287,053</b>	<b>5,948,895</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

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### 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 31<sup>st</sup> 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

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### 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.