

Charity Registration No. 1102588

Company Registration No. 05010957 (England and Wales)

**DENSTONE COLLEGE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST AUGUST 2022**

# DENSTONE COLLEGE LIMITED

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# DENSTONE COLLEGE LIMITED

## COMPANY INFORMATION

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### ***DIRECTORS AND ADVISORS***

#### **Directors**

Prof. N T Ratcliffe (Chair)  
Mrs E L Bell  
Mr M F Coffin  
Mr A D Coley  
Mr D A Cooper  
Mrs J Dickson  
Mrs E J Evans  
Mr B W Hinton  
Capt. M G Huddy  
Mr C J Lewis  
Mrs B McNally-Young  
Mrs J J Marshall (appointed 22nd November 2021)  
Mr S W Poyner (resigned 6th February 2022)  
Mr J C Sampson (appointed 16th March 2022)

#### **Charity No.**

1102588

#### **Company No.**

05010957

#### **Principal Address and Registered Office**

Denstone College Ltd  
Uttoxeter  
Staffordshire  
ST14 5HN

#### **Key Management Personnel:**

##### **Head**

Miss L E Tulloch

##### **Bursar**

Mrs M A Walker

#### **Auditors**

RSM UK Audit LLP  
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, Eiston Way, Telford, TF3 4LY

#### **Investment Advisers**

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

#### **Insurance Brokers**

Marsh  
Capital House, 1-5 Perrymount Road, Haywards  
Heath, West Sussex, RH16 3SY

# DENSTONE COLLEGE LIMITED

## **DIRECTORS' REPORT *(incorporating the Strategic Report)*** **YEAR ENDED 31ST AUGUST 2022**

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The directors present their report and financial statements for the year ended 31st August 2022 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

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

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

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

#### **Governing Body**

The governors are the directors and charitable trustees of the company and comprise the governing body of Denstone College and are elected to hold office for five years. The school is governed by the governing body which operates using a number of committees. Membership of each committee is outlined on page 17. The governing body met 5 times during the year.

#### **Recruitment and Training of Governors**

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

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

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

One Governor may have one or more of these skills.

#### **Volunteers**

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

# DENSTONE COLLEGE LIMITED

## **DIRECTORS' REPORT *(incorporating the Strategic Report)*** **YEAR ENDED 31ST AUGUST 2022**

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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 17. The directors determine the general policy of the company.

Compliance Committee – the Chair of Governors chairs this committee. Risk management, health and safety, GDPR, UKVI, security and inspection are agenda items. It met twice during the year.

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

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

Other committees include Development, IT, Pastoral and People.

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

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

The remuneration of key management personnel is set by the governing body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the school remains sensitive to the broader issues of pay and employment conditions elsewhere.

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

### **Group Structure and Relationships**

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

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

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

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### **CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

#### **Charitable Objects**

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

#### **Intended impact**

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

#### **Aims**

Denstone College is a boarding and day school for pupils from the ages of 4 to 18; in September 2021 we opened a new Prep school at the College site. The College aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help pupils make their way in adult life.

#### **Primary objectives**

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

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

#### **Strategies to achieve the primary objectives**

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

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

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

- The Forum runs half-termly to ensure colleagues have a valued voice in the school. Representatives from all areas of school attend and feedback.

### Principal Activities of the Year

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

We also run a number of summer school activities and the school is open at other times for use by the local community. Pupil numbers at the school during the year were as follows:

	2021/2022		2020/2021	
Senior School	638	(171 boarders)	620	(141 boarders)
Preparatory School	78	(0 boarders)	-	
Pre-Preparatory School	27	(0 boarders)	-	
Total	<u>743</u>		<u>620</u>	
	2021/2022		2020/2021	
	Boys	Girls	Boys	Girls
Senior School	368	270	354	276
Preparatory School	41	37	-	-
Pre-Preparatory School	21	6	-	-
Total	<u>430</u>	<u>313</u>	<u>354</u>	<u>266</u>

### Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community. Denstonians (current and former) can reflect on our belief in Achievement, Confidence and Happiness, and the values instilled here of Honesty, Endeavour and Kindness so that they play a useful role in society, leading fulfilling and purposeful lives.

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

Our school welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our school will be able to educate and develop that pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our school is part of a wider community and we are keen that our staff and pupils participate. Our school also offers resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our governors are committed to developing our programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of our programme are explained in the 'Review of Achievements and Performance for the Year' section of this report.

Woodard and its schools provide a significant benefit to the public. The school strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

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from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Again, further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individuals or elements of Woodard are incidental to delivery of the charitable objectives.

### ***Concessions Including Bursaries & Scholarships***

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

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

### ***Bursaries***

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

This year the value of means tested bursaries totalled £541k (2021 - £364k) and represented 4.3% (3.5%) of our gross fees. They provided assistance to 115 (2021 - 59) of our pupils of which 5 (2021 - 2) pupils benefited from a full remission of fees.

### ***Scholarships***

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to our co-curricular activities.

The school awarded scholarships to 183 pupils (2021 205), based on their educational merit and potential, totalling £431k (£444k) and representing 3.4% (4.3%) of our gross fees. Of this number, 28 (29) also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

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

Scholarships no longer attract a financial award. Those in place will be honoured. Each scholar has a programme to develop their particular skill. If required, funds to scholars are in the form of hardship bursaries.

### **Employment Policy**

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

### **Investment Policy and Objectives**



# DENSTONE COLLEGE LIMITED

## **DIRECTORS' REPORT *(incorporating the Strategic Report)*** **YEAR ENDED 31ST AUGUST 2022**

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The company's memorandum and articles of association permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable.

Investment activities are managed in line with the requirements of the Trustee Act 2000. Our investment policy is to preserve the capital value of investments and maximise the return and income on all investments.

## **STRATEGIC REPORT**

### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

#### **Impact of Coronavirus Pandemic**

These accounts relate to the year to 31<sup>st</sup> August 2022, and therefore reflect the diminishing financial and operational impact on the education sector, and all of society, of the Coronavirus pandemic. Schools were required to close to all bar 'Key Workers' in March 2020 and again from January to May 2021. Much of the education was moved online. Woodard schools and academies adapted well to provision of online learning and the responses from parents were positive. This was reflected in an increase in numbers in many independent schools, including Denstone College, in September 2021. In Denstone College, boarding numbers are now at a higher level than in 2019.

The pandemic had a direct impact on school financial health across two financial years, but there was significant recovery in 2021-22. Following earlier cuts in fees in order to reflect the impact of the various restrictions, Denstone College raised fees by an average of 5% in September 2021. Denstone College had to adapt to the situation, but we have been able to provide a full educational experience in 2021-22.

#### **School Performance and Achievements**

During the year we educated 743 children between the ages of 4 and 18. The school offers a broad curriculum and educates children with a wide range of ability. The educational performance of the school was excellent, as demonstrated by the public examination results. The school achieved a 97% pass rate at grades 4 or above for GCSE, of which 44% of exams were graded at grade 7 or higher, and at A Level 89% of entries gained C grades or above, of which 70% of exams were graded A\* to B (or equivalent). These results are well above the national average for all schools and in line with the average performance of independent schools. A large majority move on to higher education or degree apprenticeships, and many achieve their first choice destination. Measures of success at preparatory and junior schools vary from school to school but all include some form of examination and ability assessment.

We continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. Denstone College continued with its ambitious refurbishment programme and during 2021-22 undertook refurbishments including:

- Expansion of the Prep school provision to add two classrooms, three specialist zones, a reading room, a cloakroom and an office for the Deputy Head on the first floor, with large roof lights creating light and airy spaces.
- Creation of new boarding facilities in Hartley House for up to 62 Y3-8 children.
- Creation of a state-of-the-art Athletic Development Centre / Gym facility for use for all, from age 4 for PE to age 18 for strength and conditioning training and also for staff wellbeing and options to let either to fee-paying entities or for public benefit use.

#### **Prep School (opened 1<sup>st</sup> September 2021)**

The planning and development of the prep building culminated in its grand opening in September 2021. One of the most popular aspects of the new site so far has proven to be the innovative outdoor play area, used for outdoor education and supervised play. Parents were introduced to the new site by their children during the Settling-in Evening. Pupils eagerly showed parents around their new classrooms and introduced their new teachers. The first Open Morning in the new building, in early October, was a

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## **DIRECTORS' REPORT *(incorporating the Strategic Report)*** **YEAR ENDED 31ST AUGUST 2022**

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roaring success. High levels of interest were expressed by prospective parents and students, and as a result, the Prep School soon celebrated welcoming its 100th pupil in the January 2022.

Since making the move to the Denstone College campus, one of the facilities which our talented pupils have made the most use of is the fantastic music school. In October, students took part in the first Prep and Lower School Tea Concert, featuring performances on the clarinet and electric guitar. October is also the time of Harvest Festival; celebrations this year were led by the Pre-Prep, who recited poems and songs in the Chapel. Some Pre-Prep pupils also visited Barrowhill Hall Nursing Home in Uttoxeter to donate some harvest fruits and vegetables. Prep musicians took part in numerous concerts over the year, including performances from the Junior Band, Junior Choir, Prep Band, Percussion group and Chapel choir. Musical events such as these, have ensured that Prep pupils grow in confidence and are part of the community here at the College. Instrumental individual music lessons for Prep pupils now include voice, piano, drums, guitar, brass, woodwind and strings.

Sport flourished among the Prep community throughout 2021, with pupils making the most of the extensive sports facilities at Denstone College. All pupils in Prep 3-6 took part in an hour of PE per week. Half of the term was spent swimming and half following a traditional PE curriculum. All pupils in Prep 3-6 were timetabled 4 hours of games training per week. Fixtures and tournaments took place mostly during games afternoons. 100% of pupils in Prep 3-6 represented the school in sporting fixtures. Sports fixtures and tournaments included a variety of schools and venues in a diverse and multicultural environment. Games sessions were taught by specialist sports teachers and coaches from the senior school. Sports captains were awarded in Prep 6 to pupils who displayed leadership, sportsmanship, knowledge and understanding of the game. Full and half colours were awarded termly to Prep pupils who displayed good attainment, effort and attitude to sport. A variety of sporting clubs and activities were offered before and after school. The Prep made full use of the facilities on site including astros, and tennis courts, football/rugby pitches, swimming pool and use of the indoor sports hall and the climbing wall.

Each Year group from Prep 2 up to Prep 6 experienced a residential, from a night under the stars on the Pre- Prep play area to a full week in the Lake District. Reception and Prep 1 had an evening campfire and used the Outdoor Classroom.

In the Prep, all 18 pupils who took LAMDA examinations in the speaking of verse and acting and prose, musical theatre and public speaking in November 2020 received a merit or distinction. 11 pupils took LAMDA examinations in March 2021 in speaking of verse and prose and all received a merit or distinction. 14 pupils took LAMDA examinations in July 2021 in the speaking of verse and prose and acting and received either a merit or distinction, including one pupil who got an extremely rare 100% and two Prep 6 pupils who achieved Grade 6 (GCSE level) Bronze medal.

The Prep at Denstone College has continued throughout 2021 to have a meaningful impact on the wider community. During Environment Week the pupils learnt about the impacts of littering on the environment, and spent time litter-picking around the College campus to promote environmentalism in the school community.

Multiple events were hosted this year in aid of the BBC's Children in Need. The Pre-Prep created outdoor clay art of Pudsey Bear in Forest School, and Reception and Pre-Prep 1 took part in Sophie Ellis-Bextor's Danceathon whilst allowing their creativity to flourish, by having a 'Pen Disco', inspired by the work of Paul Klee and Keith Haring. A Pudsey and Strictly Come Dancing themed non-uniform day was also held, to raise money for the well-known charity. The Prep also contributed to the community effort to collect donations for the Trussell Trust, with over 1,200 food items being donated altogether. Students of the Prep also joined together to raise money for Guide Dogs for the Blind by hosting a onesie non-uniform day and the PTFA raised over £400 for Macmillan Cancer Support.

### **Arts, Music and Drama**

One of the important elements of any Woodard school is the concentration on arts, music and drama. Denstone College is involved in many different aspects of these activities and the inter-house 'Cultural Cup' has continued to thrive.

## **DIRECTORS' REPORT *(incorporating the Strategic Report)*** **YEAR ENDED 31ST AUGUST 2022**

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The academic year 2021-2022 saw a full musical programme return to the College. The Chapel Choir remains the largest and most active ensemble, continuing to perform regularly on Friday afternoons during the College year. The opportunity to extend lunchtime rehearsals this year has made a significant impact on the choir's output, and with the Choir now steadily developing a strong grounding in the major English Cathedral repertoire, we have successfully learned a number of more complex works this year. As well as regularly performing in Chapel, the Chapel Choir, alongside a newly formed parent choir, were also able to learn and perform a major choral work (Vivaldi's Gloria) in the Spring Term, and this is set to become a regular feature of the calendar. Numbers have remained at just over 60, despite losing over 10 members of the U6th last year, which is very encouraging. Other ensembles have continued to develop well. The College Swing Band has rebranded as the Big Band, and has focused on learning complex and challenging repertoire, including some contemporary works. The Orchestra has moved to a new rehearsal time, and as a result has grown considerably in numbers. Smaller Ensembles such as the Soul Band, Chamber Orchestra, Chamber Choir, and two Show Choirs, along with instrumental groups such as the string group have all contributed extensively to concerts, and have grown in membership and confidence. The major concert programme now consists of three events - the Michaelmas Concert and Lent Concerts, both of which take place in the Drill Hall, and the Summer Quad Concert, which takes place in the Lonsdale Quad. Individual concerts have continued to take place regularly, and have grown over the course of the year, to the extent that a new venue is now being sought for these events. Instrumental lessons have seen growth this year, with around 250 lessons per week being delivered in September 2022, up from around 200 in September 2021. The music calendar at the Prep is now well developed, with a successful concert programme including afternoon tea concerts, and a very successful outdoor summer serenade concert. For the first time in a number of years, there was also a music tour, with around 20 musicians going to Cornwall for four days to perform in the local area. This year we are planning a tour overseas to Normandy, and have around 25 pupils potentially attending this trip. Targets this year are focused on outreach, including a prep school's orchestral day, and the development of the Denstone Young Musician competition into a wider, public event.

In December 2021, following an intense term of rehearsals, over 60 of our talented middle and senior school students lifted everyone's spirits with an outstanding production of *Legally Blonde*. This was a welcome return to the large-scale affair of pre-COVID drama productions. The show's strength was thanks to all of the inextricable production elements which saw the stage transformed into a professional working theatre: the performance of its leads, the energy of the ensemble, the enthusiasm of the singing, the accomplished 15 piece band, the challenging and captivating choreography, the ambitious stage design, and the feel-good mood generated by the tech team all ensured that the show was jam packed with energy and fun. The Lower School performance of *Oliver!* produced by the First, Second and Third formers in May 2022, demonstrated equal talent and professionalism. This was a joyful show, which welcomed fifty-five actors, several student assistant directors, seventeen student designers and student tech team volunteers in its production. All cast and creatives were an absolute pleasure to work with and delighted audiences across all three of its performances. In February 2022, we saw the return of the House Drama Festival, an event involving all of our Second Form students and creative representatives from the Lower Sixth. All of the students worked together in houses to create original and entertaining pieces of theatre; all of which were well-received by their audiences. Those taking GCSE and A Level performed in 4 different evening showcases as a part of their curriculum assessments. Denstone's audiences were treated to a variety of different styles: Greek, Shakespeare, Political and Comedy, to name but a few, all polished to a very high standard. And alongside the extra-curricular performances, these were again supported by the pupil Tech Team, who continue to impress with their practices in lighting and sound, and the newly formed design team, who expertly painted setting and props. This year, 3 of our A Level Drama and Theatre students have gone on to study Drama at FE level. Most impressively, one student has been accepted to study Musical Theatre at the prestigious Mount View Theatre School, and a 2019 leaver has been accepted by the world-renowned Italia Conte Drama School in London to study Acting. LAMDA has gone from strength to strength and this has continued to be a success. 40 pupils are studying for LAMDA qualifications and we are working to solve the issue of having a waiting list. All 28 pupils who sat LAMDA exams in March 2020 received either a Merit or a Distinction. This year has allowed a return to regular theatre trips, particularly but not exclusively for drama students; perhaps the most enjoyed was the new and highly inventive production by the New Vic Theatre Company, 'Tom, Dick and Harry' – a story of the great Escape. In-house theatre screenings have continued to be a popular event hosted by the Drama Department. The National Theatre's production of *Small Island*, a spectacular adaptation of Andrea Levy's *Windrush* novel, was a superbly well supported show in Black History Month.

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

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### Sport

It was fabulous to get back to a 'normal' year of Sport at Denstone. The programme continues to offer a wealth of opportunities, both with competitive fixtures and on a more recreational basis. A programme that caters for all pupils and educates them in the values of team sports and physical exercise remains our priority as we move into the next academic year. The extensive programme on offer reflects the onus that Denstone places on the role of the games programme and it is important that the programme continues to evolve with sector market trends, whilst retaining a sense of tradition in team games. Sport and representation continue to grow with regards to both success and participation.

Hockey continues to grow in popularity and we have seen the biggest number of pupils represented in county hockey squads and on Player Pathways for some time. Counties represented are Staffordshire and Derbyshire and the school continues to support pupils in trialling for their respective counties. Reflecting our commitment to the development of hockey and as an indicator of our sporting aspirations, Denstone, for the first time, will enter the National Tier One Hockey competitions of both girls and boys, which facilitates competition against the best hockey schools nationwide. With regards to participation, A-D teams are put out regularly at U12 and U13 level, A, B and C at U14 and A and B sides at U15. Denstone Rugby continues to be a dominant force in the Midlands and its reputation continues to grow nationally. Block fixtures of 8+ teams are put out weekly and rugby continues to be the sport of choice for boys, which is reflective of the culture of success. Currently nine Sixth Formers are in the U18 Academy at Leicester Tigers and one pupil at Sale Sharks. In netball, we regularly field 19 teams and have improved the quality of our fixture lists due to the number of girls wanting to represent the College. Our Director of Netball has further developed links with Loughborough Lightning, as the Lead Coach for the U15 team, and they also use our facilities for the regional hubs. More girls than ever are trialling for regional hubs (U15 and U17 level) and girls are gaining increased success at county trials.

The College has continued to develop its cricket programme in both participation and performance and is the sport of choice for boys and for many girls in the summer term. We have developed even stronger links with Staffordshire and Derbyshire. Girls are increasingly involved, with girls representing the College in the Lower School age groups and we will continue to develop opportunity and provision for girls in the 22/23 season. The interest in tennis has risen dramatically over the past few years and is a sport that is available all year round. Pupils are supported in their development by our tennis coach (who is in school 4 days per week) and the option to enrol in the Denstone College Tennis Academy is available to all pupils. Lacrosse also continues its popularity. The College has employed a sports graduate to lead our lacrosse programme; recruitment has been excellent with girls from 3rd Form to Upper 6<sup>th</sup>, and four girls have been successful in U18 Shropshire county trials. Of all our sports, golf is growing most quickly with almost a 100% increase in the numbers taking part in the last academic year. There have been a significant number of tournaments and matches with a growing number of boys and girls taking up the opportunity to be members of the Denstone College Golf Club.

The opening of the new Athletic Development Centre staffed by two Athletic Development specialists will continue to support our elite players moving forwards and we look forward to this facility educating both our 1st team pupils as well as developing awareness of Athlete development, biomechanics, injury prevention and so on. The facility will no doubt be used well and will support pupils in a range of sports whilst at Denstone. This facility is multi-purpose and will see our Prep students using the open space for PE and our staff taking programmes to aid wellbeing.

### Community

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

- Our all-weather cricket nets that are made available to both local senior and junior clubs, often along with coaching to participants.
- Our swimming pool, which is made available to local swimming clubs and for use by local primary and middle schools. In addition to swimming lessons for our secondary age pupils, we provide 'Learn to Swim' teaching lessons for local children aged between 2.5 and 12 years, with about 300 participating.

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

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- The Sports Hall is made available for local groups across various sports and leisure activities.
- Our sports pitches are used in regular fixtures against local schools in a variety of sports, with the outside community also able to use these facilities. Various youth groups and child sports clubs enjoy evening sessions, particularly on our floodlit all-weather pitch.
- We regularly host county, and indeed regional, hockey, rugby and cricket matches and trials, including some national cricket trials at various age levels.
- The local community are welcome to attend our Carols by Candlelight and other Chapel services and our drama and musical performances, either in the theatre or Chapel, are open to members of the village community, upon request.
- The College allows some 80+ associate members from the local community to enjoy our golf course facilities.
- Subject to the necessary permissions, we can host wedding ceremonies and receptions.
- Through our Enterprise Company, we provide our facilities to children and adults in various sport and general activity groups during the evenings, weekends and school holidays.

### Other Activities undertaken in the Community

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

### Outreach

The College had significantly increased its outreach and partnership work in the two years before COVID. Many initiatives were unavoidably put on pause in 2020-22, although it was possible to maintain others, and we are now actively in the process of expanding our outreach and partnerships programme with local state schools again.

We continue to extend our classroom teaching provision to some 6th Form pupils from Painsley Catholic College in Cheadle and Thomas Alleyne's High School in Uttoxeter. Last year, we welcomed a student into our French classes, for example. We also work in partnership with Painsley to provide placements for PGCE students, waiving the associated payment due to us from Painsley: we provided one such placement in 2021-22.

The charity is continuing to develop wider community links and widening educational access to their facilities, both on free terms and at fee rates below commercial levels.

### Wider Experiences

The College offered many trips to its pupils this year: these include important fieldwork trips, such as the Geography field trip to Wales and the Art trip to Oxford, sporting trips, including to the St Joseph's and Rosslyn Park rugby festivals amongst others, boarders' trips to a range of entertainments, including seeing Aladdin at the theatre, and a wide range of other edifying opportunities, such as the chance for prospective lawyers to visit Wolverhampton Crown Court, in addition to the numerous trips associated with outdoor pursuits (see below).

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

From 4th Form upwards, all pupils have the opportunity to join the CCF, which has an Army and RAF section within the contingent. Currently over 120 students take part in the CCF. They enter many Brigade-run competitions and were winners of the CCF Cadet Skills at Arms Meeting and overall best CCF in the Cadet Target Rifle Competition. One of our cadets was also the best shot from all the cadets who attended. The CCF ran Field Day exercises every term at Swynnerton or Leek military training areas and attended an annual camp during the summer holidays at Nescliffe and this resulted in us winning the award for the Best overall contingent. We have now combined with JCB and are now over 150 cadets strong with 12 staff on the books. Denstone College CCF is regarded as one of the best

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

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contingents within the brigade area and is well staffed with 8 officers, drawn from the teaching staff.

DofE remains a big part of the activities programme. Over 70 pupils take part in Bronze award, 50 Silver and over 30 are aiming to complete Gold. Completion rates are improving, especially at Bronze and Silver. 6 staff ensure the delivery of the syllabus to the students and help with the provision of the expeditions in holidays and over the exeat weekends. All missed expeditions have now taken place. ODs, parents and ex-staff, as well as current staff are qualified as expedition assessors which helps to keep the costs down for the expedition section, enabling maximum participation for pupils from all different backgrounds.

Outdoor pursuits continue to thrive at Denstone. The Sunday climbing club is well supported with maximum numbers of pupils working towards their NICAS and NIBAS awards. 1st Form all have a team building day on site run by Challenge Academy. 2nd Form had a fabulous activities week including a trip to Baggeridge country Park with all pupils having the opportunity to complete the high ropes course. A diving trip to Malta has been launched and will run Oct 2022. Another is planned for Oct 2023 and the Kenya trip that was postponed from 2020 is being launched to pupils next month for 2024.

The school ski trip will take place this year after a 3 year gap, and this was over-subscribed at launch last year.

### **Charitable Activities**

Our Tuesday Chapel services have predominantly had a focus on our community involvement in terms of the charitable efforts of staff and pupils. We have had presentations reflecting our support for the following huge range of charities: Make a Wish, RSPCA, Guide Dogs, Kids Village, Children in Need, Carter the Brave, Good News Family Care, The Children's Society, Cancer Research, DMRC, DEC Ukraine Appeal, Lymphoma Action, One by One, Braintrust, Bees for Development, Kidney Research, AMMF, BEAT & Derby YMCA. A total of £12,737.55 was raised through home clothes day donations, chapel collections and special collections, such as the one undertaken for the DEC Ukraine appeal. Following our Remembrance Service, our retiring collection amounted to £330 which was sent to the Royal British Legion. Additionally we sent over 1,200 items of food to the local foodbank following our harvest collection as well as a minibus full of clothes, bedding and toys that were also donated to the Ukrainian appeal. Our giving to external charities has been exceptional this year and numerous letters of thanks have been received into College telling of how the donations have made a positive impact.

We will continue to encourage staff and students to come forward and share their stories of work with local and national charities and following the success of last year's collection for The Foodbank, we will arrange a similar collection in Michaelmas 2022. Now in its second year, The Think Tank has joined the Lower School Activities Carousel, affording each Second Former the opportunity to learn more about how poverty (in many forms) affects people across the globe. The pupils then elect a charity to support. This has included 'Period Poverty', a charity that strives to give women access to menstrual products, safe, hygienic spaces in which to use them, and the right to manage menstruation without shame or stigma. The pupils presented their project to the whole College, and donated monies raised from a cake sale and non-uniform day.

### **Fundraising Performance**

Significant progress has been made this year in fundraising and the ongoing work of raising voluntary funding for the school. Grants and donations totalled £1,480k (2021: £160k), including £1,363k donated from the proceeds of the sale of Smallwood Manor Prep School and a further £70k being donated by Old Denstonians. These donations were used for the expansion of our new Prep School facilities.

### **Investment Performance Against Objectives**

The College does not undertake any investment in quoted securities either for unrestricted funds or the Advanced Fees Scheme. Investment in quoted securities is limited to our restricted and endowed funds and these are managed through the Woodard Corporation.

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

### Key Performance Indicators

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

KPI	Target	Actual
Surplus	A small surplus of £28k due to ramifications of life after COVID not being clear	£1,433k high value donations - £18k investment losses + £175k operating surplus = £1,590k surplus
Pupil Numbers	696	743
Total salaries to net fees	75% of net fees	72% of net fees

### Funds held as custodian trustee on behalf of others

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

### FINANCIAL REVIEW

#### Results for the Year

The net incoming resources for the year amounted to £1,590,364 of which the operating surplus on school activities was £174,689. This was above our targeted amount due to a strong performance in student numbers and mix, with boarding being more popular than plan. Gross income for the year was up by some 26% on last year, reflecting the increase in pupil numbers throughout the school and the opening of the Prep. Smallwood Manor Preparatory School Limited sold the property in September 2021 and donated £1.363m to Denstone College Limited, without restrictions, expressing a preference that the funds are utilised to enhance the new Prep school. These funds were fully used for the Prep project, which went live during Michaelmas Term 2022.

Our trading company continues to hire out Denstone College facilities during vacations and school hours, as well as undertaking commercial activity on behalf of the school and externally. The company contributed £994 to the school's operating surplus in a year where holiday camps were less popular due to cost of living pressures and parents continuing to work from home following the pandemic.

The parents of our pupils often make significant sacrifices to pay the fees. In doing so they help to relieve the state of the financial burden of educating 720 UK based children. The saving is estimated to have a value in the last year of £4,933k. The school is also unable to recover the VAT on purchases it makes. During the past year, Denstone College has paid an estimated £969k in irrecoverable VAT on goods and services.

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

Denstone College provides a pension to some staff under the terms of the Pensions Trust Growth Plan. As a result of this pension scheme being under funded, Denstone College is committed to contributing to a recovery plan. During the course of the year Denstone College made contributions to the recovery plan of £27,062. Further details can be found in note 27.

#### Reserves Level and Policy, and Financial Viability

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

The balance sheet contains a number of non-cash and longer-term liabilities, including those related to pensions. These items are excluded from consideration of the available reserves. Unrestricted funds

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

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increased by £1,515,317 to total £7,210,159, as shown in note 25. Denstone College plans to fund longer term capital expenditure and meet long term liabilities through careful management of resources and investments and through building reserves through operations and trading. The company's unrestricted reserves are primarily invested in tangible fixed assets which are all used for its direct charitable activities.

In common with most independent schools, and due to having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total reserves of £7.7m at the year-end included £0.3m of endowed funds, £0.2m of restricted funds and £7.2m unrestricted designated funds. Fixed assets held for charity use totalled £11.4m, leaving free reserves of -£3.7m (2021: -£3.6m) at the year-end. The school's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The school does not have, and cannot rely on, permanent endowments. Smallwood Manor Preparatory School Limited sold the property in September 2021 and donated £1.363m to Denstone College Limited, without restrictions, expressing a preference that the funds are utilised to enhance the new Prep school. These funds were fully used for the Prep project, which went live during Michaelmas Term 2022.

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

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

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

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

### **PRINCIPAL RISKS AND UNCERTAINTIES**

#### **Coronavirus Pandemic**

These financial statements were compiled at a time when all restrictions relating to the Covid 19 global pandemic had been removed, and activity had mostly returned to normal. That is not to say that the virus was no longer affecting school life; cases continue in both pupils and staff. Like most trustees, the governors keep under consideration the impact of a catastrophic event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below is therefore reflective of a more stable



# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

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environment and does not specifically look at the pandemic, or other similar events, but offers a wider view of common events plus a specific risk looking at those events that could impact the continuity of education.

The governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risks faced by the school. The school is currently growing in numbers, but there is no room for complacency. The governing body, therefore, decided last year to increase the fees in September 2021 by 5%. For September 2022 the governing body has again implemented a 5% increase. Health and Safety is always a significant area for risk management. The risks range from fire and damage to infrastructure, to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

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

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

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

The key controls used by the school include:

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

### **Financial risk management objectives and policies**

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

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

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

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

### GOING CONCERN

As at 31 August 2022, the group had a balance sheet position with net assets of £7.7m (2021: £6.1m). The governing body is aware however that net current liabilities stand at £1.8m (2021: net current liabilities of £3.3m); included within creditors less than one year are fees in advance, which will be taken to income during 2022-23.

There are also two points to note in regards to the opening of the Prep school in September 2021. A commercial loan was utilised to fund the first stage of the new Prep, on an interest-only basis until March 2022. This loan converted to include capital repayment from March 2022. Smallwood Manor Preparatory School Limited sold the property in September 2021 and donated £1.36m to Denstone College Limited, without restrictions, expressing a preference that the funds are utilised to enhance the new Prep school. These funds were used for phase II of the Prep project, which went live during Michaelmas Term 2022.

The governing body has continued to review any potential impact of the global pandemic on school operations and finances. As noted earlier in the report, all restrictions were lifted before the start of the 2021-22 academic year. Having considered all factors and after reviewing the available evidence, the directors have a reasonable expectation that the company will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 27.

### FUTURE PLANS

The key objectives of the current plan are:

1. To continue to provide outstanding education for an expanding population of pupils aged 4-18.
2. To reinvigorate our fundraising and enterprise activity to secure greater non-fee based revenue.
3. To look to the future for a more sustainable estate.
4. To widen access by focusing on greater bursary funds available for means-tested support.
5. To continue to seek to work with our wider community to provide even greater public benefit.

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

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### DIRECTORS

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

Prof N T Ratcliffe (Chairman)	Finance & General Purpose, Education, Marketing, Compliance, Personnel, Fundraising, Remuneration. Also invited to attend other committees in his capacity as Chair.
Mrs E L Bell	Education, Compliance, Personnel
Mr M F Coffin	Finance & General Purpose, Fundraising
Mr A D Coley	Finance & General Purpose, Enterprise
Mr D A Cooper	Finance & General Purpose, Education, Compliance
Mrs J Dickson	Compliance, Safeguarding, Fundraising
Mrs E Evans	Finance & General Purpose, Marketing, Enterprise
Mr B W Hinton	Education, Marketing, Safeguarding, Personnel, IT, Fundraising, Enterprise
Capt. M Huddy	Finance & General Purpose, Compliance, Safeguarding, IT, Fundraising,
Mr C J Lewis	Finance & General Purpose, Marketing, Credit, Enterprise
Mrs J J Marshall	Education
Mrs B McNally-Young	IT, Personnel
Mr J C Sampson	Development

None of the directors has any beneficial interest in the company.

Denstone College buys trustees and officers' insurance on behalf of the directors.

### Exemptions from disclosure

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

### AUDITORS

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

# DENSTONE COLLEGE LIMITED

## DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2022

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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 17/01/23, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Prof N T Ratcliffe  
CHAIRMAN

17/01/23  
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# DENSTONE COLLEGE LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2022

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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 2022 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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

# DENSTONE COLLEGE LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2022

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

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

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

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

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

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

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement

# DENSTONE COLLEGE LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2022

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of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

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

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

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

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

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

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

### Use of our report

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

# DENSTONE COLLEGE LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2022

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*RSM UK Audit LLP*

DALE THORPE (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

17/01/23  
.....



# DENSTONE COLLEGE LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
<b>Charitable Activities</b>						
School fees receivable	2	11,046,788	-	-	<b>11,046,788</b>	8,872,286
Ancillary trading income	3	837,545	-	-	<b>837,545</b>	570,153
<b>Other trading activities</b>						
Non-ancillary trading income	4	186,685	-	-	<b>186,685</b>	135,659
<b>Investments</b>						
Investment income	5	-	3,163	9,284	<b>12,447</b>	12,342
Bank and other interest	6	309	-	-	<b>309</b>	17
<b>Other – Grants and donations</b>						
Grants and donations	7	1,388,084	92,224	-	<b>1,480,308</b>	524,054
<b>Other incoming resources</b>		350	-	-	<b>350</b>	400
<b>TOTAL INCOMING RESOURCES</b>	25	<b>13,459,761</b>	<b>95,387</b>	<b>9,284</b>	<b>13,564,432</b>	<b>10,114,911</b>
Expenditure on:						
<b>Raising funds</b>						
Non-ancillary trading	8	183,772	-	-	<b>183,772</b>	141,875
Other income generating activities		-	-	-	-	-
Financing costs	9	103,579	-	-	<b>103,579</b>	49,496
Investment management		-	792	1,941	<b>2,733</b>	2,522
Fundraising and development		3,600	-	-	<b>3,600</b>	2,150
<b>TOTAL DEDUCTIBLE COSTS</b>		<b>290,951</b>	<b>792</b>	<b>1,941</b>	<b>293,684</b>	<b>196,043</b>
<b>Charitable Activities</b>						
Education and grant making	8	11,653,493	-	9,282	<b>11,662,775</b>	9,878,901
<b>TOTAL EXPENDITURE</b>		<b>11,944,444</b>	<b>792</b>	<b>11,223</b>	<b>11,956,459</b>	<b>10,074,944</b>
Net gains/(losses) on investment assets	14,15	-	(15,491)	(2,118)	<b>(17,609)</b>	58,825
<b>Net income/(expenditure)</b>		<b>1,515,317</b>	<b>79,104</b>	<b>(4,057)</b>	<b>1,590,364</b>	<b>98,792</b>
Transfers between funds	24,25	88,567	(40,584)	(47,983)	-	-
<b>Other recognised gains/(losses)</b>						
Pension scheme actuarial gains	27	-	-	-	-	67,892
<b>Net Movement in funds for the year</b>		<b>1,603,884</b>	<b>38,520</b>	<b>(52,040)</b>	<b>1,590,364</b>	<b>166,685</b>
Fund balances at 1st September		5,606,275	174,269	335,036	<b>6,115,580</b>	5,948,895
<b>FUND BALANCES AS AT 31ST AUGUST</b>		<b>7,210,159</b>	<b>212,789</b>	<b>282,996</b>	<b>7,705,944</b>	<b>6,115,580</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 27 to 54 form part of these financial statements.

# DENSTONE COLLEGE LIMITED

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
<b>Charitable Activities</b>						
School fees receivable	2	11,046,788	-	-	<b>11,046,788</b>	8,872,286
Ancillary trading income	3	708,411	-	-	<b>708,411</b>	457,778
<b>Other trading activities</b>						
Non-ancillary trading income	4	85,613	-	-	<b>85,613</b>	58,682
<b>Investments</b>						
Investment income	5	-	3,163	9,284	<b>12,447</b>	12,342
Bank and other interest	6	309	-	-	<b>309</b>	6
<b>Other – Grants and donations</b>						
Grants and donations	7	1,388,084	92,224	-	<b>1,480,308</b>	544,504
<b>Other incoming resources</b>		<b>350</b>	<b>-</b>	<b>-</b>	<b>350</b>	<b>400</b>
<b>TOTAL INCOMING RESOURCES</b>	<b>27</b>	<b>13,229,555</b>	<b>95,387</b>	<b>9,284</b>	<b>13,334,226</b>	<b>9,945,998</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Non-ancillary trading	8	-	-	-	-	-
Other income generating activities		-	-	-	-	-
Financing costs	9	102,092	-	-	<b>102,092</b>	47,856
Investment management		-	792	1,941	<b>2,733</b>	2,522
Fundraising and development		3,600	-	-	<b>3,600</b>	2,150
<b>TOTAL DEDUCTIBLE COSTS</b>		<b>105,692</b>	<b>792</b>	<b>1,941</b>	<b>108,425</b>	<b>52,528</b>
<b>Charitable Activities</b>						
Education and grant making	8	11,609,529	-	9,282	<b>11,618,811</b>	9,854,500
<b>TOTAL EXPENDITURE</b>		<b>11,715,221</b>	<b>792</b>	<b>11,223</b>	<b>11,727,236</b>	<b>9,907,028</b>
Net gains/(losses) on investment assets	14,15	-	(15,491)	(2,118)	<b>(17,609)</b>	58,825
<b>Net income/(expenditure)</b>						
Transfers between funds	24,25	88,567	(40,584)	(47,983)	-	-
<b>Other recognised gains/(losses)</b>						
Pension scheme actuarial (losses)/gains	27	-	-	-	-	67,892
<b>Net Movement in funds for the year</b>		<b>1,602,901</b>	<b>38,520</b>	<b>(52,040)</b>	<b>1,589,381</b>	<b>165,687</b>
Fund balances at 1st September		5,605,277	174,269	335,036	<b>6,114,582</b>	5,948,895
<b>FUND BALANCES AS AT 31ST AUGUST</b>		<b>7,208,178</b>	<b>212,789</b>	<b>282,996</b>	<b>7,703,963</b>	<b>6,114,582</b>

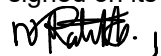
All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 27 to 54 form part of these financial statements.

# DENSTONE COLLEGE LIMITED

## CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2022

	Note	Group 2022 £	2021 £	Charity 2022 £	2021 £
<b>FIXED ASSETS</b>					
Tangible assets	13	11,358,791	9,661,263	11,336,917	9,661,263
Investments	14	435,178	452,355	435,178	452,355
Fees in Advance scheme investments	14	-	-	-	-
Property investments	15	-	-	-	-
Investment in subsidiaries	14,22	-	-	-	-
		<b>11,793,969</b>	<b>10,113,618</b>	<b>11,772,095</b>	<b>10,113,618</b>
<b>CURRENT ASSETS</b>					
Stock		85,247	112,567	-	-
Debtors	16	509,061	313,644	487,494	473,024
Cash at bank and in hand		1,642,929	805,790	1,444,018	687,557
		<b>2,237,237</b>	<b>1,232,001</b>	<b>1,931,512</b>	<b>1,160,581</b>
<b>CURRENT LIABILITIES</b>					
Creditors payable within one year	17	(4,014,467)	(4,545,221)	(3,688,849)	(4,474,899)
<b>NET CURRENT LIABILITIES</b>		<b>(1,777,230)</b>	<b>(3,313,220)</b>	<b>(1,757,337)</b>	<b>(3,314,318)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>10,016,739</b>	<b>6,800,398</b>	<b>10,014,758</b>	<b>6,799,300</b>
<b>LONG TERM LIABILITIES</b>					
Creditors payable after one year	18	(2,253,895)	(600,856)	(2,253,895)	(600,856)
<b>TOTAL NET ASSETS EXCLUDING PENSION LIABILITY</b>		<b>7,762,844</b>	<b>6,199,542</b>	<b>7,760,863</b>	<b>6,198,444</b>
Net pension liability	27	(56,800)	(83,862)	(56,800)	(83,862)
<b>NET ASSETS</b>		<b>7,706,044</b>	<b>6,115,680</b>	<b>7,704,063</b>	<b>6,114,582</b>
<b>REPRESENTED BY: CALLED UP SHARE CAPITAL</b>	22	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>ENDOWED FUNDS</b>	23,24	<b>282,996</b>	<b>335,036</b>	<b>282,996</b>	<b>335,036</b>
<b>RESTRICTED FUNDS</b>	23,24	<b>212,789</b>	<b>174,269</b>	<b>212,789</b>	<b>174,269</b>
<b>UNRESTRICTED FUNDS</b>					
General reserve	23,24	7,210,159	5,606,275	7,208,178	5,605,177
Pension reserve	27	-	-	-	-
		<b>7,706,044</b>	<b>6,115,680</b>	<b>7,704,063</b>	<b>6,114,582</b>

The financial statements were approved and authorised for issue by the Board on 17/01/23 and signed on its behalf by



**Prof N T Ratcliffe**  
CHAIRMAN

Company registration number 05010957

# DENSTONE COLLEGE LIMITED

## CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST AUGUST 2022

	Notes	2022 £'000	2021 £'000
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	28	<b>2,356,297</b>	539,380
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		12,447	12,359
Proceeds from the sale of property, plant and equipment		350	400
Purchase of property, plant and equipment		(2,087,470)	(1,584,983)
Proceeds from sale of investments		-	(19,229)
<b>Net cash used in investing activities</b>		<b>(2,074,673)</b>	(1,591,453)
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		(38,906)	-
Cash inflows from new borrowing		698,000	1,260,000
Financing costs		(103,579)	(49,496)
Fees in advance – new contracts		-	-
Fees in advance – repayment of deposits		-	-
Fees in advance – payment of fees		-	-
<b>Net cash provided by (used in) financing activities</b>		<b>555,515</b>	1,210,504
<b>Change in cash and cash equivalents in the year</b>		<b>837,139</b>	158,431
<b>Cash and cash equivalents at the beginning of the year</b>		<b>805,790</b>	647,357
<b>Cash and cash equivalents at the end of the year</b>	29	<b>1,642,929</b>	805,790

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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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 37, and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£).

#### b) **Going Concern**

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

Having considered all factors and reviewing the available evidence, including the income and expenditure analysis and cash-flow forecasts for the period through to August 2023, having confirmed bank facilities in place until February 2023 (with directors agreeing to the College requesting, in due course, a further extension of the facility to February 2024) the directors have a reasonable expectation that the company group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis.

#### c) **Group Accounts**

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

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

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

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

Ancillary trading income represents amounts from activities to generate funds within the

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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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) Expenditure**

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

**h) Finance and Other Costs**

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

**i) Pension Costs**

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

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

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in notes 27 and 33.

**j) Tangible Fixed Assets and Depreciation**

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

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

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

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

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

Freehold land is not depreciated

Freehold Buildings:

- Variable according to the building and written off over the expected useful life (see paragraph below)

Freehold improvements

- Over the useful economic life of the improvement

Leasehold enhancement

- Over the economic life of the asset

Plant and Equipment

- Plant 10% on cost and Equipment 25% on cost

Computer equipment

- 25% on cost

Furniture and fittings

- 4% - 25% on cost variable according to the expected useful life

Motor vehicles

- 25% on cost

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

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

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

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

### k) **Financial Instruments**

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

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

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

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

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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### m) **Stocks**

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

### n) **Leasing Commitments**

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

### o) **Fee Deposits**

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

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

### p) **Fund Accounts**

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

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

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

### q) **Taxation**

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

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

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



# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2022 £	2021 £
The school fees income comprises		
Gross fees	12,718,514	10,354,603
Less: Total scholarships, bursaries, etc	(1,671,726)	(1,482,317)
Add back: Scholarships, Grants etc paid for by Restricted Funds	-	-
	<b>11,046,788</b>	<b>8,872,286</b>

400 Scholarships, bursaries and other awards were paid to 353 pupils (2021: 333 awards to 304 pupils). Within this, means-tested bursaries totalling £541,470 were paid to 115 pupils (2021: £364,210 to 59 pupils)

### 3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2022 £	2021 £
Extras	308,843	184,064
Entrance fees and registration fees	18,700	13,400
Pupil transport	336,509	258,059
Sundry other income	173,493	114,630
	<b>837,545</b>	<b>570,153</b>

### 4. OTHER TRADING ACTIVITIES

	2022 £	2021 £
<b>Non-ancillary trading income</b>		
Denstone College Enterprise company trading turnover	99,888	76,279
Rents receivable	1,184	677
Interest receivable – pupil bills	2,853	550
Other non-ancillary trading income	82,760	58,153
	<b>186,685</b>	<b>135,659</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 5. INVESTMENTS - INVESTMENT INCOME

	Unrestricted	Restricted	Endowed	Total 2022	Total 2021
	£	£	£	£	£
<b>Investment income</b>					
Equities	-	1,490	344	<b>1,834</b>	9,386
Fixed interest	-	1,542	7,711	<b>9,253</b>	2,956
Other investments	-	131	1,229	<b>1,360</b>	-
	<u>-</u>	<u>3,163</u>	<u>9,284</u>	<u><b>12,447</b></u>	<u>12,342</u>

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

	Unrestricted	Restricted	Endowed	Total 2022	Total 2021
	£	£	£	£	£
Bank interest	309	-	-	<b>309</b>	17
	<u>309</u>	<u>-</u>	<u>-</u>	<u><b>309</b></u>	<u>-</u>

### 7. OTHER - GRANTS AND DONATIONS

	Unrestricted	Restricted	Endowed	Total 2022	Total 2021
	£	£	£	£	£
Government grants - CJRS	-	-	-	-	354,134
Denstone College Foundation	24,800	22,224	-	<b>47,024</b>	169,920
Old Denstonians	-	70,000	-	<b>70,000</b>	-
Smallwood Manor Sale Donation	1,363,284	-	-	<b>1,363,284</b>	-
Profit on Sale of Fixed Assets	350	-	-	<b>350</b>	400
	<u>1,388,434</u>	<u>92,224</u>	<u>-</u>	<u><b>1,480,658</b></u>	<u>524,454</u>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 8. ANALYSIS OF EXPENDITURE

#### a) Total expenditure

	Staff costs (note 10) £	Support costs £	Depreciation (note 13) £	<b>Total 2022 £</b>	<b>Total 2021 £</b>
<b>Costs of raising funds</b>					
Non ancillary trading	71,472	107,925	4,375	<b>183,772</b>	141,875
Financing cost (note 9)	-	103,579	-	<b>103,579</b>	49,496
Investment management	-	2,733	-	<b>2,733</b>	2,522
Fundraising and development	-	3,600	-	<b>3,600</b>	2,150
<b>Total cost of generating funds</b>	<b>71,472</b>	<b>217,837</b>	<b>4,375</b>	<b>293,684</b>	<b>196,043</b>
<b>Charitable expenditure</b>					
Teaching	5,369,336	781,751	75,234	<b>6,226,321</b>	5,305,552
Welfare	699,271	474,899	-	<b>1,174,170</b>	927,141
Premises	834,017	1260,227	310,333	<b>2,404,577</b>	1,968,738
School administration	1,017,442	829,056	-	<b>1,846,498</b>	1632,375
Grants awards and prizes (note 8b)	-	9,282	-	<b>9,282</b>	9,946
Movement in pension recovery plan	-	-	-	<b>-</b>	33,056
Governance	-	1,927	-	<b>1,927</b>	2,093
<b>Education and grant making</b>	<b>7,920,066</b>	<b>3,357,142</b>	<b>385,567</b>	<b>11,662,775</b>	<b>9,878,901</b>
<b>Total Expenditure</b>	<b>7,991,538</b>	<b>3,574,979</b>	<b>389,942</b>	<b>11,956,459</b>	<b>10,074,944</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 8. ANALYSIS OF EXPENDITURE (Continued)

#### b) Grants, awards and prizes

Denstone College makes awards to individual families to support schooling.

	2022 £	2021 £
<b>From Endowed Funds:</b>		
Other grants and awards	9,282	-
<b>From Restricted Funds:</b>		
Other grants and awards	-	-
Prizes and leaving awards	-	-
<b>From Unrestricted Funds:</b>		
Other grants and awards	-	-
Prizes and leaving awards	-	9,946
	<b>9,282</b>	<b>9,946</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 governors were reimbursed during the year (2021: No trustees were reimbursed in 2021).

	2022 £	2021 £
Remuneration paid to auditor for audit services	24,116	36,971
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	389,942	327,622
- held under finance leases and hire purchase contracts	-	-
(Profit) on disposal of fixed assets	(350)	(400)
Operating lease rentals:		
- land and buildings	-	-
- other assets	160,860	104,775
Reimbursement of personal expenses to governors	-	-

### 9. FINANCING COSTS

	2022 £	2021 £
Bank interest payable	50,907	185
Other interest payable	-	-
Fees In Advance debt financing costs	20,206	30,627
Pension Scheme financing cost	2,401	-
Bank charges	17,152	16,612
Provision for bad and doubtful debts	12,913	2072
	<b>103,579</b>	<b>49,496</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 10. STAFF COSTS

	2022 £	2021 £
The aggregate payroll costs for the year were:		
Wages and salaries	6,420,569	5,449,646
Social security costs	656,216	523,559
Other pension costs	914,669	809,125
Private medical insurance	84	172
	<b>7,991,538</b>	<b>6,782,502</b>

Included in staff costs are redundancy or termination payments totalling £24k (2021: £16k).

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

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

	2022 £	2021 £
Aggregate employee benefits of key management personnel	<b>334,816</b>	301,631

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

	2022 No	2021 No
£60,001 - £70,000	5	5
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	0	1
£100,001 - £110,000	1	0

The number with retirement benefits accruing:  
- in Defined Contribution schemes was

	5	1
--	---	---

Of which the contributions amounted to

	<b>£52,490</b>	£0
--	----------------	----

- in Defined Benefit schemes was

	3	7
--	---	---

Of which the contributions amounted to

	<b>£46,453</b>	£116,700
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For 2022 there are zero (2021: zero) employees earning over £60,000 per year that have chosen not to participate in a pension scheme.

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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### 10. STAFF COSTS (Continued)

The average number of employees during the year calculated on a head count basis, was 241 (2021: 207)

	<b>2022 No</b>	2021 No
Teaching	<b>99</b>	85
Welfare	<b>32</b>	31
Premises	<b>37</b>	35
Support	<b>68</b>	52
Other activities	<b>5</b>	4
	<b>241</b>	207

### 11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £4,251 were awarded to children of directors attending the school (2021: £2,719).

### 12. TAXATION

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

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 13. TANGIBLE FIXED ASSETS

Group and company	Freehold Land & Buildings £	Freehold Improvements £	Leasehold Land & Buildings £	Under Construction £	Plant & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>								
At 1 <sup>st</sup> September 2021	9,463,106	-	-	1,662,878	1,021,297	671,376	38,345	12,857,002
Additions	327,906	-	-	1,671,166	51,836	1,599	34,963	2,087,470
Disposals	-	-	-	-	(25,009)	-	(21,095)	(46,104)
Transfers	1,812,233	-	-	(1,843,273)	21,346	9,694	-	-
<b>At 31<sup>st</sup> August 2022</b>	<b>11,603,245</b>	<b>-</b>	<b>-</b>	<b>1,490,771</b>	<b>1,069,470</b>	<b>682,669</b>	<b>52,213</b>	<b>14,898,368</b>
<b>Depreciation</b>								
At 1 <sup>st</sup> September 2021	1,812,330	-	-	-	746,499	598,565	38,345	3,195,739
Charge for the year	223,664	-	-	-	86,010	75,501	4,767	389,942
Disposals	-	-	-	-	(25,009)	-	(21,095)	(46,104)
<b>At 31<sup>st</sup> August 2022</b>	<b>2,035,994</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>807,500</b>	<b>674,066</b>	<b>22,017</b>	<b>3,539,577</b>
<b>Net book value at 31<sup>st</sup> August 2022</b>	<b>9,567,251</b>	<b>-</b>	<b>-</b>	<b>1,490,771</b>	<b>261,970</b>	<b>8,603</b>	<b>30,196</b>	<b>11,358,791</b>
Net book value at 31 <sup>st</sup> August 2021	7,650,776	-	-	1,662,878	274,798	72,811	-	9,661,263

All assets are used for charitable purposes.

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 14. INVESTMENTS

	Investments 2022 £	2021 £
<b>Group investments</b>		
At 1 September	452,355	376,823
Reinvested income	12,447	266
Amounts extracted	(9,282)	-
Investment management fees	(2,733)	(3,045)
Realised gains on investments	652	34,104
Unrealised gains/(losses) on investments	(18,261)	24,721
Movement in uninvested cash	-	19,486
<b>Group investments at 31 August</b>	<b>435,178</b>	<b>452,355</b>
Investment in subsidiaries	100	100
<b>Company investments at 31 August</b>	<b>435,278</b>	<b>452,455</b>
<b>Investments comprise:</b>		
<b>Listed investments</b>		
Fixed interest	94,684	114,620
Equities	282,842	279,895
<b>Unlisted investments</b>		
Other	31,790	31,712
<b>Cash</b>	<b>25,862</b>	<b>26,128</b>
<b>Group investments at 31 August</b>	<b>435,178</b>	<b>452,355</b>
Investment in subsidiaries	100	100
<b>Company investments at 31 August</b>	<b>435,278</b>	<b>452,455</b>

Denstone College owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England/Wales. Further details are provided in note 31.

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

Holdings at the year-end comprising more than 5% of the total are:

iShares Core FTSE UCITS ETF	5.1%
Man GLG Income Fund	15.3%
iShares PLC-S&P 500 UCITS ETF	11.4%
Fidelity Global Dividend Fund	12.0%
Atlas Global Infrastructure Fund	5.0%
Robeco BP Global Premium Equities	9.2%
Schroder Sterling Corporate	5.1%
iShares Core GBP Corp Bond	9.9%
Vontobel Fund SICAV – TwentyFour	6.0%
Schroder Diversified Alternative	7.1%



# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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### 15. PROPERTY INVESTMENTS

We do not hold any property investments

### 16. DEBTORS

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Company 2022 £</b>	<b>2021 £</b>
School fees receivable	<b>47,833</b>	99,655	<b>47,833</b>	99,655
Trade debtors	<b>13,199</b>	42,977	<b>2,600</b>	-
Other debtors	<b>315,836</b>	7,736	<b>308,257</b>	7,736
Prepayments and accrued income	<b>132,193</b>	163,276	<b>128,804</b>	162,337
Amounts due from subsidiary company	-	-	-	203,296
	<b>509,061</b>	313,644	<b>487,494</b>	473,024

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 17. CREDITORS: amounts falling due within one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	<b>101,282</b>	1,260,000	<b>101,282</b>	1,260,000
Deposits from parents	<b>39,040</b>	44,608	<b>39,040</b>	44,608
Fees received from parents in advance of term	<b>2,213,022</b>	1,480,960	<b>2,213,022</b>	1,480,960
Trade creditors	<b>145,397</b>	445,234	<b>144,685</b>	442,448
Taxation and social security	<b>167,421</b>	227,330	<b>155,564</b>	216,751
Other creditors	<b>541,609</b>	142,628	<b>240,093</b>	121,182
Fees in Advance Scheme	<b>320,321</b>	466,383	<b>320,321</b>	466,383
Accruals	<b>486,027</b>	478,078	<b>474,842</b>	442,567
Deferred income	<b>348</b>	-	-	-
	<b>4,014,467</b>	4,545,221	<b>3,688,849</b>	4,474,899

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 18. CREDITORS: amounts falling due after one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	1,817,812	-	1,817,812	-
Deposits from parents	266,945	247,994	266,945	247,994
Fees in Advance Scheme	169,138	352,862	169,138	352,862
	<b>2,253,895</b>	<b>600,856</b>	<b>2,253,895</b>	<b>600,856</b>

### 19. BANK LOAN

	2022 £	2021 £
The bank loan is repayable in instalments		
Due after 5 years	1,384,180	-
Due within 2 to 5 years	329,851	-
Due within 1 to 2 years	103,781	-
Due after more than one year	1,817,812	-
Due within 1 year	101,282	1,260,000
	<b>1,919,094</b>	<b>1,260,000</b>

Denstone College has a bank loan from Lloyds Bank Plc for the Prep renovations, which is secured by charges on the school's assets. A commercial loan was utilised to fund the first stage of the new Prep, on an interest-only basis until March 2022. This loan converted to include capital repayment from March 2022 and is repayable over 15 years. This can be seen in the timing of repayments in the table above.

### 20. FEES IN ADVANCE SCHEME

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

	2022 £	2021 £
After 5 years	-	-
Within 2 to 5 years	67,547	91,073
Within 1 to 2 years	101,591	261,789
Due after more than one year	169,138	352,862
Within 1 year	320,321	466,383
	<b>489,459</b>	<b>819,245</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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### 20. FEES IN ADVANCE SCHEME (Continued)

Summary of movements in liability	£
Balance at 1 September 2021	819,245
New contracts	192,373
Repayments	(23,354)
Amounts used to pay fees	(498,805)
<b>Balance at 31 August 2022</b>	<b>489,459</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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### 21. COMMITMENTS UNDER OPERATING LEASES

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

	2022 £	2021 £
Within 1 year	132,898	145,991
Within 1 to 5 years	-	-
After 5 years	85,757	198,454
	<u>218,655</u>	<u>344,445</u>

### 22. SHARE CAPITAL

	2022 £	2021 £
<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 2022

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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 2022

### 24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted £	Restricted £	Endowed £	Total 2022 £	Total 2021 £
Tangible fixed assets	11,358,791	-	-	11,358,791	9,661,263
Investments	31,617	120,565	282,996	435,178	452,355
Fees in Advance Scheme	(489,459)	-	-	(489,459)	(819,245)
Net current (liabilities)/assets	(1,549,233)	92,224	-	(1,457,009)	(2,846,937)
Long term liabilities	(2,141,557)	-	-	(2,141,557)	(331,856)
	<u>7,210,159</u>	<u>212,789</u>	<u>282,996</u>	<u>7,705,944</u>	<u>6,115,580</u>

Charity	Unrestricted £	Restricted £	Endowed £	Total 2022 £	Total 2021 £
Tangible fixed assets	11,336,917	-	-	11,336,917	9,661,263
Investments	31,617	120,565	282,996	435,178	452,355
Fees in Advance Scheme	(489,459)	-	-	(489,459)	(819,245)
Net current (liabilities)/assets	(1,529,340)	92,224	-	(1,437,116)	(2,847,935)
Long term liabilities	(2,141,557)	-	-	(2,141,557)	(331,856)
	<u>7,208,178</u>	<u>212,789</u>	<u>282,996</u>	<u>7,703,963</u>	<u>6,114,582</u>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 25. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 Sept 2021 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	At 31 August 2022 £
<b>Endowed - Expendable</b>						
Revaluation Reserves	60,531	-	-	-	-	60,531
Scholarships, bursary & prizes	274,505	9,284	(11,223)	(47,983)	(2,118)	222,465
	<b>335,036</b>	<b>9,284</b>	<b>(11,223)</b>	<b>(47,983)</b>	<b>(2,118)</b>	<b>282,996</b>
<b>Restricted Funds</b>						
Revaluation Reserves	38,384	-	-	-	-	38,384
Scholarships, bursary & prizes	135,885	95,387	(792)	(40,584)	(15,491)	174,405
	<b>174,269</b>	<b>95,387</b>	<b>(792)</b>	<b>(40,584)</b>	<b>(15,491)</b>	<b>212,789</b>
<b>Unrestricted Funds</b>						
General Reserve	5,690,137	13,459,761	(11,971,506)	88,567	-	7,266,959
Pension Reserve	(83,862)	-	27,062	-	-	(56,800)
	<b>5,606,275</b>	<b>13,459,761</b>	<b>(11,944,444)</b>	<b>88,567</b>	<b>-</b>	<b>7,210,159</b>
<b>Total Funds</b>	<b>6,115,580</b>	<b>13,564,432</b>	<b>(11,956,459)</b>	<b>-</b>	<b>(17,609)</b>	<b>7,705,944</b>

Note 24 provides details of the individual funds. -

### 26. CAPITAL COMMITMENTS

At 31 August 2022, the group had capital commitments as follows:

	2022 £	2021 £
Expenditure contracted for but not provided in the accounts	<b>68,491</b>	193,166



## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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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 £1,006k (2021: £1,027k) and at the year-end £0 (2021 - £0) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government has accepted three key proposals recommended by the Government Actuary and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 27. PENSION SCHEMES (Continued)

#### TPT Retirement Solutions - The Growth Plan Deficit Contributions

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £131m.

A further actuarial valuation for the scheme was carried out at 20 July 2021. This actuarial valuation showed the funding level had improved to 96% (from 86% as at 30 September 2017), and the deficit had reduced to £31.6m (from £131m in 2017).

To eliminate this revised funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme follows:

From 1 April 2022 to 31 January 2025:	£11k per annum deficit recovery contribution (payable monthly) plus £12k plan expenses contribution (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies.

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

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

#### Royal London - Defined Contribution Pension Scheme

On 1<sup>st</sup> January 2022 the Royal London pension scheme was opened to newly recruited teachers in place of the Teachers' Pension scheme and has also been made available to our existing teachers as an alternative option to the Teachers' Pension Scheme. As this scheme is solely a defined contribution scheme there are no scheme liabilities to report.

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 27. PENSION SCHEMES (Continued)

<b>Present Values of Provision</b>	<b>2022 £000's</b>	<b>2021 £000's</b>
Present value of provision	57	84
<b>Reconciliation of opening and closing provisions</b>	<b>2022 £000's</b>	<b>2021 £000's</b>
Provision at 1 September	84	152
Unwinding of the discount factor	-	-
Deficit contribution paid	(27)	(33)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	(35)
<b>Provision at 31 August</b>	<b>57</b>	<b>84</b>

<b>Income and expenditure impact</b>	<b>2022 £</b>	<b>2021 £</b>
Interest expense	-	-
Unwinding of the discount factor	-	-
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Contributions paid in respect of future service *	-	-
Costs recognised in income and expenditure account	-	-

<b>Assumptions</b>	<b>2022 % per annum</b>	<b>2021 % per annum</b>
Rate of discount	0.55	0.55

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

#### Deficit Contributions Schedule

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

	<b>2022 £000's</b>	<b>2021 £000's</b>
Year 1	24	29
Year 2	24	22
Year 3	9	23
Year 4	-	9

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 27. PENSION SCHEMES (Continued)

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

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

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

### 28. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2022 £	2021 £
<b>Net income for the period (as per the Statement of Financial Activities)</b>	<b>1,590,364</b>	<b>98,792</b>
<b>Adjustments for</b>		
Depreciation charges	389,942	327,622
Losses/(gains) on investments	14,444	(58,825)
Dividends, interest, and rents from investments	(12,447)	(12,359)
Financing costs	103,579	49,496
Investment Management Fee	2,733	2,522
(Profit) on the sale of fixed assets	(350)	(400)
Decrease in stocks	27,320	14,671
(Increase) in debtors	(195,417)	(69,751)
Increase in creditors	436,129	187,613
<b>Net cash provided by (used in) operating activities</b>	<b>2,356,297</b>	<b>539,380</b>

### 29. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand and at bank	1,642,929	805,790
<b>Total cash and cash equivalents</b>	<b>1,642,929</b>	<b>805,790</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

### 30. ANALYSIS OF CHANGES IN NET DEBT

	At 1 <sup>st</sup> Sept 2021	Cash flows	Other non-cash changes	At 31 <sup>st</sup> Aug 2022
	£	£	£	£
<b>Cash and cash equivalents</b>				
Cash	805,790	837,139	-	<b>1,642,929</b>
	<u>805,790</u>	<u>837,139</u>		<u><b>1,642,929</b></u>
<b>Borrowings</b>				
Loans falling due within one year	(1,260,000)	1,158,718	-	<b>(101,282)</b>
Loans falling due after more than one year	-	(1,817,812)	-	<b>(1,817,812)</b>
	<u>(1,260,000)</u>	<u>(659,094)</u>	<u>-</u>	<u><b>(1,919,094)</b></u>
<b>Total</b>	<u>(454,210)</u>	<u>178,045</u>	<u>-</u>	<u><b>(276,165)</b></u>

### 31. SUBSIDIARIES

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

Denstone College Enterprises Limited had a turnover of £230k (2021: £189k), gross profit of £8k (2021: £25k), and a profit before tax and gift aid of £1k in the year ended 31 August 2022 (2021: profit of £21k). At 31 August 2022 the company had shareholder's funds of £100 (2021: £100).

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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

Year Ended 31 August 2021	Unrestricted £	Restricted £	Endowed £	Total £
<b>Income and endowments from Charitable activities</b>				
School fees receivable	8,872,286	-	-	<b>8,872,286</b>
Ancillary trading income	457,778	-	-	<b>457,778</b>
<b>Other trading activities</b>				
Non-ancillary trading income	58,682	-	-	<b>58,682</b>
<b>Investments</b>				
Investment income	-	3,402	8,940	<b>12,342</b>
Bank and other interest	6	-	-	<b>6</b>
<b>Voluntary sources</b>				
Grants and donations	515,643	28,861	-	<b>544,504</b>
<b>Other incoming resources</b>	400	-	-	<b>400</b>
<b>Total Incoming Resources</b>	<b>9,904,795</b>	<b>32,263</b>	<b>8,940</b>	<b>9,945,998</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Non ancillary trading	-	-	-	-
Other income generating activities	-	-	-	-
Financing costs	47,856	-	-	<b>47,856</b>
Investment management	-	736	1,786	<b>2,522</b>
Fundraising and development	2,150	-	-	<b>2,150</b>
<b>Total Deductible Costs</b>	<b>50,006</b>	<b>736</b>	<b>1,786</b>	<b>52,528</b>
<b>Charitable activities</b>				
Education and grant making	9,845,560	-	8,940	<b>9,854,500</b>
<b>Total resources expended</b>	<b>9,895,566</b>	<b>736</b>	<b>10,726</b>	<b>9,907,028</b>
Net gains/(losses) on investment assets	-	9,056	49,769	<b>58,825</b>
<b>Net income/(expenditure)</b>	<b>9,229</b>	<b>40,583</b>	<b>47,983</b>	<b>97,795</b>
Transfers between funds	-	-	-	-
<b>Other recognised gains/(losses)</b>				
Pension scheme actuarial gains/(losses)	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>
Fund balances at 1 <sup>st</sup> September	5,528,156	133,686	287,053	<b>5,948,895</b>
<b>Fund Balances at 31<sup>st</sup> August</b>	<b>5,605,277</b>	<b>174,269</b>	<b>335,036</b>	<b>6,114,582</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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### 33. CONTINGENT LIABILITIES

The Company has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2019. As of this date the estimated employer debt for the Company was £516,791, including Series 3 liabilities.

### 34. ULTIMATE CONTROLLING PARTY

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

### 35. RELATED PARTIES

As stated in note 34, Denstone College Limited is a wholly owned subsidiary of The Woodard Corporation. An amount of £61,255 (2021: £50,913) was paid during the year to Woodard Corporation by way of a levy to meet running costs.

The company also controls a subsidiary trading company, Denstone College Enterprises Limited (DCEL). An amount of £994 (2021: £21,447) was given by DCEL to the company by gift aid. Other transactions between the two companies totalling £300,521 (2020: £203,296) comprised: salary costs; costs of purchases made by the company on behalf of DCEL; and items from the School Shop charged to pupil bills.

During the year we made payments totalling £76k to Ainsley & Partners. A Director of the College holds a 50% equity share in Ainsley & Partners. The payment relates to professional fees associated with the prep school project.

### 36. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2022

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### 37. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

#### *Pension scheme deficit reduction payments*

As explained at note 27, there is a deficit reduction plan in place in respect of Denstone College's membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

#### *Pension scheme contingent liability*

As explained at note 33, there is a contingent liability in the event that Denstone College were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

#### *Provision for bad debts*

Estimating amounts to provide against recovery of debts is a matter of judgement.

#### *Depreciation, impairment and residual values of fixed assets*

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