

**Charity Registration No. 1102588**

**Company Registration No. 05010957 (England and Wales)**

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

# DENSTONE COLLEGE LIMITED

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## COMPANY INFORMATION

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

#### **Directors**

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

#### **Charity No.**

1102588

#### **Company No.**

05010957

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

Denstone College Ltd  
Uttoxeter, Staffordshire  
ST14 5HN

#### **Key Management Personnel**

##### **Head**

Miss L E Tulloch

##### **Bursar**

Mrs M A Walker

#### **Auditor**

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

#### **Bankers**

Lloyds Bank  
1 Pride Hill, Shrewsbury, SY1 1DG

#### **Solicitors**

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

#### **Investment Advisers**

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

# DENSTONE COLLEGE LIMITED

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

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

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

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

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

#### **Governing Document**

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

#### **Governing Body**

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

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

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

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

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

One Governor may have one or more of these skills.

#### **Volunteers**

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

# DENSTONE COLLEGE LIMITED

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

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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 14. The Directors determine the general policy of the Company.

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

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

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

Other committees include Development, IT, People and Safeguarding.

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

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

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

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

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

### **Group Structure and Relationships**

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

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

# DENSTONE COLLEGE LIMITED

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

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

#### **Charitable Objects**

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

#### **Intended impact**

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

#### **Aims**

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

#### **Primary objectives**

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

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

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

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

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

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

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

### Principal Activities of the Year

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

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

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

### Public Benefit

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

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

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

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

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

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

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

### ***Concessions Including Bursaries and Scholarships***

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

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

### ***Bursaries***

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

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

### ***Scholarships***

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

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

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

### **Employment Policy**

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

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

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

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



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

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

## STRATEGIC REPORT

### REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

#### School Performance and Achievements

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

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

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

#### Arts, Music and Drama

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

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

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

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

### **Sport**

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

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

### Community

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

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

### Other Activities undertaken in the Community

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

### Outreach

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

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

### **Wider Experiences**

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

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

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

### **Charitable Activities**

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

# DENSTONE COLLEGE LIMITED

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

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

### Fundraising Performance

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

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

### Investment Policy and Objectives

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

### Key Performance Indicators

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

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

### Funds Held as Custodian Trustee on Behalf of Others

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

## FINANCIAL REVIEW

### Results for the Year

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

# DENSTONE COLLEGE LIMITED

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

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

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

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

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

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

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

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

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

### **PRINCIPAL RISKS AND UNCERTAINTIES**

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

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

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

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

# DENSTONE COLLEGE LIMITED

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

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

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

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

The key controls used by the School include:

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

### Financial Risk Management Objectives and Policies

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

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

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

### GOING CONCERN

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

# DENSTONE COLLEGE LIMITED

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

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

### FUTURE PLANS

The key objectives of the current plan are:

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

### DIRECTORS

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

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

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

### Exemptions from Disclosure

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

### AUDITORS

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



# DENSTONE COLLEGE LIMITED

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

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### DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the Company will continue in business.

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

The Directors confirm that:

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

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

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

*N.T. Ratcliffe*

Prof N T Ratcliffe  
CHAIRMAN

# DENSTONE COLLEGE LIMITED

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

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### Opinion

We have audited the financial statements of Denstone College Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2023 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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

# DENSTONE COLLEGE LIMITED

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

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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, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Directors' Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

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

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

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

### Responsibilities of trustees

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

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

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

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

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

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

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

# DENSTONE COLLEGE LIMITED

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

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

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

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

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

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

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

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

### Use of our report

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

*Dale Thorpe*

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

Date: 08/03/24

# DENSTONE COLLEGE LIMITED

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

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
<b>Charitable Activities</b>						
School fees receivable	2	12,446,930	-	-	<b>12,446,930</b>	11,046,788
Ancillary trading income	3	1,007,869	-	-	<b>1,007,869</b>	837,545
<b>Other trading activities</b>						
Non-ancillary trading income	4	214,686	-	-	<b>214,686</b>	186,685
<b>Investments</b>						
Investment income	5	-	4,056	10,335	<b>14,391</b>	12,447
Bank and other interest	6	6,879	-	-	<b>6,879</b>	309
<b>Other – Grants and donations</b>						
Grants and donations	7	281,173	59,087	-	<b>340,260</b>	1,480,308
<b>Other incoming resources</b>		(746)	-	-	<b>(746)</b>	-
<b>TOTAL INCOMING RESOURCES</b>	25	<b>13,956,791</b>	<b>63,143</b>	<b>10,335</b>	<b>14,030,269</b>	<b>13,564,432</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Non-ancillary trading	8	285,739	-	-	<b>285,739</b>	183,772
Financing costs	9	148,366	-	-	<b>148,366</b>	103,579
Investment management		-	717	2,003	<b>2,720</b>	2,733
Fundraising and development		35,944	-	-	<b>35,944</b>	3,600
<b>TOTAL DEDUCTIBLE COSTS</b>		<b>470,049</b>	<b>717</b>	<b>2,003</b>	<b>472,769</b>	<b>293,684</b>
<b>Charitable Activities</b>						
Education and grant making	8	13,164,147	-	3,173	<b>13,167,320</b>	11,662,775
<b>TOTAL EXPENDITURE</b>		<b>13,634,193</b>	<b>717</b>	<b>5,176</b>	<b>13,640,409</b>	<b>11,959,459</b>
Net gains/(losses) on investment assets	14,15	-	(1,272)	(2,365)	<b>(3,637)</b>	(17,609)
<b>Net income/(expenditure)</b>		<b>322,595</b>	<b>61,154</b>	<b>2,794</b>	<b>386,543</b>	<b>1,590,364</b>
Transfers between funds	25	59,087	(59,087)	-	-	-
<b>Other recognised gains/(losses)</b>						
Pension scheme actuarial (losses)/gains		-	-	-	-	-
<b>Net Movement in funds for the year</b>		<b>381,682</b>	<b>2,067</b>	<b>2,794</b>	<b>386,543</b>	<b>1,590,364</b>
Fund balances at 1st September		7,210,158	212,790	282,996	<b>7,705,944</b>	6,115,580
<b>FUND BALANCES AS AT 31ST AUGUST</b>		<b>7,591,840</b>	<b>214,857</b>	<b>285,790</b>	<b>8,092,487</b>	<b>7,705,944</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 23 to 49 form part of these financial statements.

# DENSTONE COLLEGE LIMITED

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

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
<b>Charitable Activities</b>						
School fees receivable	2	12,446,930	-	-	<b>12,446,930</b>	11,046,788
Ancillary trading income	3	862,818	-	-	<b>862,818</b>	708,411
<b>Other trading activities</b>						
Non-ancillary trading income	4	69,308	-	-	<b>69,308</b>	85,613
<b>Investments</b>						
Investment income	5	-	4,056	10,335	<b>14,391</b>	12,447
Bank and other interest	6	6,860	-	-	<b>6,860</b>	309
<b>Other – Grants and donations</b>						
Grants and donations	7	281,281	59,087	-	<b>340,368</b>	1,480,308
<b>Other incoming resources</b>		-	-	-	-	350
<b>TOTAL INCOMING RESOURCES</b>	27	<b>13,667,217</b>	<b>63,143</b>	<b>10,335</b>	<b>13,740,675</b>	<b>13,334,226</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Non-ancillary trading	8	-	-	-	-	-
Other income generating activities		-	-	-	-	-
Financing costs	9	146,943	-	-	<b>146,943</b>	102,092
Investment management		-	717	2,003	<b>2,720</b>	2,733
Fundraising and development		35,944	-	-	<b>35,944</b>	3,600
<b>TOTAL DEDUCTIBLE COSTS</b>		<b>182,887</b>	<b>717</b>	<b>2,003</b>	<b>185,607</b>	<b>108,425</b>
<b>Charitable Activities</b>						
Education and grant making	8	13,161,715	-	3,173	<b>13,164,888</b>	11,618,811
<b>TOTAL EXPENDITURE</b>		<b>13,444,602</b>	<b>717</b>	<b>5,176</b>	<b>13,350,495</b>	<b>11,727,236</b>
Net gains/(losses) on investment assets	14,15	-	61,154	(2,365)	<b>(3,637)</b>	(17,609)
<b>Net income/(expenditure)</b>		<b>322,595</b>	<b>61,154</b>	<b>2,794</b>	<b>386,543</b>	<b>1,589,381</b>
Transfers between funds	27	59,087	(59,087)	-	-	-
<b>Other recognised gains/(losses)</b>						
Pension scheme actuarial (losses)/gains	29	-	-	-	-	-
<b>Net Movement in funds for the year</b>		<b>381,682</b>	<b>2,067</b>	<b>2,794</b>	<b>386,543</b>	<b>1,589,381</b>
Fund balances at 1st September		<b>7,208,178</b>	<b>212,790</b>	<b>282,996</b>	<b>7,703,964</b>	<b>6,114,582</b>
<b>FUND BALANCES AS AT 31ST AUGUST</b>		<b>7,589,860</b>	<b>214,857</b>	<b>285,790</b>	<b>8,090,507</b>	<b>7,703,963</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 23 to 49 form part of these financial statements.

# DENSTONE COLLEGE LIMITED

## CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2023

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

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

*N. T. Ratcliffe*

Prof N T Ratcliffe  
CHAIR

Company registration number 05010957

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

# DENSTONE COLLEGE LIMITED

## CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST AUGUST 2023

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



## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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

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

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

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

#### **Group Accounts**

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

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

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

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

Ancillary trading income represents amounts from activities to generate funds within the charitable objects, for example school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

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

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

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

**f) Expenditure**

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

**g) Finance and Other Costs**

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

**h) Pension Costs**

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

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

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in notes 27 and 28.

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

**i) Tangible Fixed Assets and Depreciation**

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

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects,

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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

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

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

Freehold land is not depreciated.

Freehold Buildings:	- Variable according to the building and written off over the expected useful life (see paragraph below)
Freehold improvements	- Over the useful economic life of the improvement
Leasehold land and buildings	- Over the shorter of the economic life of the asset or the life of the lease
Leasehold enhancements	- Over the shorter of the economic life of the asset or the life of the lease
Plant and equipment	- Plant 10% on cost and 25% on cost
Fixtures, fittings and equipment	- 4% -25% on cost variable according to the expected useful life
Computer equipment	- 25% on cost
Motor vehicles	- 25% on cost

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

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

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

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

### j) **Financial Instruments**

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

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

Investments and Fees in Advance investments are carried at fair value, which is deemed to be

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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market value as at the balance sheet date.

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

### l) **Stocks**

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

### m) **Leasing Commitments**

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

### n) **Fee Deposits**

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

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

### o) **Fund Accounts**

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

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

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

### p) **Taxation**

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

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

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

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2023 £	2022 £
The School fees income comprises		
Gross fees	14,379,472	12,718,514
Less: Total scholarships, bursaries, etc		
Add back: Scholarships, Grants etc paid for by Restricted Funds	(1,932,542)	(1,671,726)
	<b>12,446,930</b>	<b>11,046,788</b>

Scholarships, bursaries and other awards were paid to 333 pupils (2022: 353 pupils). Within this, means-tested bursaries totalling £552,454 were paid to 49 pupils (2022: £541,470 to 115 pupils).

### 3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2023 £	2022 £
Extras	386,660	308,843
Entrance fees and registration fees	21,100	18,700
Pupil transport	417,094	336,509
Sundry other income	183,05	173,493
	<b>1,007,869</b>	<b>837,545</b>

### 4. OTHER TRADING ACTIVITIES

	2023 £	2022 £
<b>Non-ancillary trading income</b>		
Denstone College Enterprise company trading turnover	139,273	99,888
Rents receivable	1,291	1,184
Interest receivable – pupil bills	2,433	2,853
Other non-ancillary trading income	71,689	82,760
	<b>214,686</b>	<b>186,685</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 5. INVESTMENTS - INVESTMENT INCOME

	Unrestricted	Restricted	Endowed	Total 2023 £	Total 2022 £
	£	£	£		
<b>Investment income</b>					
Equities	-	3,589	4,496	<b>4,740</b>	1,834
Fixed interest	-	-	4,740	<b>8,085</b>	9,253
Other	-	467	1,099	<b>1,566</b>	1,360
	-	4,056	10,335	<b>14,391</b>	12,447
<b>Property investment income</b>					
Rents receivable	1,291	-	-	<b>1,291</b>	1,184
	1,291	4,056	10,335	<b>15,682</b>	13,631

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

	Unrestricted	Restricted	Endowed	Total 2023 £	Total 2022 £
Bank interest	6,879	-	-	<b>6,879</b>	309
Other interest	-	-	-	-	-
	6,879	-	-	<b>6,879</b>	309

### 7. OTHER - GRANTS AND DONATIONS

	Unrestricted	Restricted	Endowed	Total 2023 £	Total 2022 £
Grants to Denstone College for bursaries from:					
Old Denstonians	596	35,000	-	<b>35,596</b>	-
JCB	100,000	-	-	<b>100,000</b>	-
Denstone College Foundation	10,577	24,087	-	<b>34,644</b>	47,024
Other	-	-	-	-	350
	281,173	59,087	-	<b>340,260</b>	1,480,658

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 8. ANALYSIS OF EXPENDITURE

#### a) Total expenditure

	Staff costs (note 10) £	Support costs £	Depreciation (note 13) £	<b>Total</b> <b>2023</b> £	Total 2022 £
<b>Costs of raising funds</b>					
Non ancillary trading	143,428	136,238	6,073	<b>285,739</b>	183,772
Financing cost (note 9)	-	148,366	-	<b>148,366</b>	103,579
Investment management	-	2,720	-	<b>2,720</b>	2,733
Fundraising and development	-	35,944	-	<b>35,944</b>	3,600
<b>Total cost of generating funds</b>	<b>143,428</b>	<b>323,268</b>	<b>6,073</b>	<b>472,769</b>	293,684
<b>Charitable expenditure</b>					
Teaching	5,996,408	968,675	6,572	<b>6,971,655</b>	6,226,321
Welfare	754,961	542,806	-	<b>1,297,767</b>	1,174,170
Premises	971,768	1,425,325	390,500	<b>2,787,594</b>	2,404,577
School administration	1,049,412	1,045,087	-	<b>2,094,499</b>	1,846,498
Grants awards and prizes (note 8b)	-	11,275	-	<b>11,275</b>	9,946
Governance	-	4,531	-	<b>4,531</b>	2,093
<b>Education and grant making</b>	<b>8,772,549</b>	<b>3,997,699</b>	<b>397,072</b>	<b>13,167,320</b>	9,878,901
<b>Total Expenditure</b>	<b>8,915,977</b>	<b>4,320,967</b>	<b>403,145</b>	<b>13,640,089</b>	11,956,459

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 8. ANALYSIS OF EXPENDITURE (Continued)

#### b) Grants, awards and prizes

Denstone College makes awards to individual families to support schooling.

	2023 £	2022 £
<b>From Endowed Funds:</b>		
Other grants and awards	10,104	9,282
<b>From Restricted Funds:</b>	-	-
Other grants and awards	-	-
Prizes and leaving awards	-	-
<b>From Unrestricted Funds:</b>		
Other grants and awards	1,171	-
Prizes and leaving awards	-	-
	<b>11,275</b>	<b>9,282</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. 1 Governor was reimbursed during the year (2022: 0).

	2023 £	2022 £
Remuneration paid to auditor for audit services	37,780	24,116
Additional remuneration paid to auditor for prior year	-	-
Remuneration paid to auditor for non-audit services	1,140	-
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	403,145	389,942
- held under finance leases and hire purchase contracts	(750)	(350)
(Profit) on disposal of fixed assets		
Operating lease rentals:		
- land and buildings	132,897	160,860
- other assets		
Reimbursement of personal expenses to Governors	384	-

### 9. FINANCING COSTS

	2023 £	2022 £
Bank interest payable	81,333	50,907
Fees In Advance debt financing costs	11,012	20,206
Pension Scheme financing cost	2,504	2,401
Bank charges	12,990	17,152
Provision for bad and doubtful debts	40,527	12,913
	<b>148,366</b>	<b>103,579</b>



# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 10. STAFF COSTS

	2023 £	2022 £
The aggregate payroll costs for the year were:		
Wages and salaries	7,271,226	6,420,569
Social security costs	686,817	656,216
Other pension costs	953,405	914,669
Private medical insurance	4,529	84
	<b>8,915,977</b>	<b>7,991,538</b>

Included in staff costs are redundancy or termination payments totalling £22k (2022: £24k).

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

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

	2023 £	2022 £
Aggregate employee benefits of Key Management Personnel	<b>214,288</b>	210,109

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

	2023 No	2022 No
£60,001 - £70,000	8	5
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

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

	7	5
--	---	---

Of which the contributions amounted to

	<b>£63,584</b>	<b>£52,490</b>
--	----------------	----------------

- in Defined Benefit schemes was

	3	3
--	---	---

Of which the contributions amounted to

	<b>£31,613</b>	<b>£46,453</b>
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For 2023 there are zero (2022: zero) employees earning over £60,000 per year that have chosen not to participate in a pension scheme.

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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### 10. STAFF COSTS (Continued)

The average number of employees during the year calculated on a head count basis, was 245 (2022: 241).

	<b>2023</b>	2022
	<b>No</b>	No
Teaching	<b>99</b>	99
Welfare	<b>30</b>	32
Premises	<b>36</b>	37
Support	<b>76</b>	68
Other activities	<b>5</b>	5
	<b>245</b>	241

### 11. DIRECTORS

None of the Directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £nil were awarded to children of Directors attending the School (2022: £4,251).

### 12. TAXATION

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

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 13. TANGIBLE FIXED ASSETS

Group and company	Freehold Land & Buildings £	Freehold Improvements £	Under Construction £	Fixtures, Fittings & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>							
At 1 <sup>st</sup> September 2022	11,603,245	-	1,490,771	1,069,470	682,669	52,213	14,898,368
Additions	14,200	-	1,118,489	213,778	-	-	1,346,467
Disposals	-	-	-	(58,730)	-	-	(58,730)
Transfers	2,004,866	-	(2,284,027)	257,608	21,553	-	-
<b>At 31<sup>st</sup> August 2023</b>	<b>13,622,311</b>	<b>-</b>	<b>325,233</b>	<b>1,482,126</b>	<b>704,222</b>	<b>52,213</b>	<b>16,186,105</b>
<b>Depreciation</b>							
At 1 <sup>st</sup> September 2022	2,035,993	-	-	807,500	674,066	22,017	3,539,576
Charge for the year	298,964	-	-	88,738	6,972	8,741	403,145
Disposals	-	-	-	(54,982)	-	-	(54,982)
<b>At 31<sup>st</sup> August 2023</b>	<b>2,334,687</b>	<b>-</b>	<b>-</b>	<b>841,256</b>	<b>681,038</b>	<b>30,758</b>	<b>3,887,739</b>
<b>Net book value at 31<sup>st</sup> August 2023</b>	<b>11,287,624</b>	<b>-</b>	<b>325,233</b>	<b>640,870</b>	<b>23,184</b>	<b>21,455</b>	<b>12,298,366</b>
Net book value at 31 <sup>st</sup> August 2022	9,567,252	-	1,490,771	261,970	8,603	30,196	11,358,792

All assets are used for charitable purposes.

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 14. INVESTMENTS

	2023 £	2022 £
<b>Group investments</b>		
At 1 September	<b>435,178</b>	452,355
Reinvested income	<b>14,391</b>	12,447
Amounts extracted	<b>(17,243)</b>	(9,282)
Investment management fees	<b>(2,718)</b>	(2,733)
Realised gains/(losses) on investments	<b>(492)</b>	652
Unrealised gains/(losses) on investments	<b>(3,145)</b>	(18,261)
<b>Group investments at 31 August</b>	<b>425,971</b>	435,178
Investment in subsidiaries	<b>100</b>	100
<b>Company investments at 31 August</b>	<b>426,071</b>	435,278
<b>Investments comprise:</b>		
<b>Listed investments</b>		
Fixed interest	94,407	94,684
Equities	295,213	282,842
<b>Unlisted investments</b>		
Other	34,971	31,790
<b>Cash</b>	1,380	25,862
<b>Group investments at 31 August</b>	425,971	435,178
Investment in subsidiaries	100	100
<b>Company investments at 31 August</b>	426,071	435,278

Denstone College owns all of the share capital of Denstone College Enterprises Limited, a company incorporated in England/Wales. Further details are provided in note 32.

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

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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### 15. DEBTORS

	<b>Group 2023 £</b>	<b>2022 £</b>	<b>Company 2023 £</b>	<b>2022 £</b>
School fees receivable	<b>57,161</b>	47,833	<b>57,161</b>	47,833
Trade debtors	<b>5,698</b>	13,199	<b>272</b>	2,600
Other debtors	<b>24,676</b>	315,836	<b>142,922</b>	308,257
Prepayments and accrued income	<b>169,703</b>	163,276	<b>166,114</b>	128,804
	<b>257,238</b>	509,061	<b>365,925</b>	487,494

School fees receivable are net of £48,527 (2022: £ NIL) provided for doubtful debts.

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts (note 18)	103,781	101,282	103,781	101,282
Deposits from parents	44,667	39,040	44,667	39,040
Fees received from parents in advance of term	2,128,108	2,213,022	2,128,108	2,213,022
Trade creditors	364,348	145,397	349,582	144,685
Taxation and social security	188,036	167,421	182,694	155,564
Other creditors	293,626	541,609	290,662	240,093
Fees in Advance Scheme (note 19)	236,100	320,321	236,100	320,321
Accruals	254,035	486,027	252,385	474,842
Deferred income	-	348	-	-
	<b>3,612,701</b>	<b>4,014,467</b>	<b>3,587,979</b>	<b>3,688,849</b>

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans (note 18)	1,718,401	1,817,812	1,718,401	1,817,812
Deposits from parents	302,038	266,945	302,038	266,945
Fees in Advance Scheme (note 19)	293,103	169,138	293,103	169,138
	<b>2,313,542</b>	<b>2,253,895</b>	<b>2,313,542</b>	<b>2,253,895</b>

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

### 18. BANK LOAN

	2023 £	2022 £
The bank loan is repayable in instalments		
Due after 5 years	1,272,491	1,384,180
Due within 2 to 5 years	338,884	329,851
Due within 1 to 2 years	107,026	103,781
Due after more than one year	1,718,401	1,817,812
Due within 1 year	103,781	101,282
	<b>1,822,182</b>	<b>1,919,094</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.

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 19. FEES IN ADVANCE SCHEME

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

	2023 £	2022 £
After 5 years	-	-
Within 2 to 5 years	130,023	67,547
Within 1 to 2 years	163,080	101,591
Due after more than one year	293,103	169,138
Within 1 year	236,100	320,321
	529,203	489,459
<b>Summary of movements in liability</b>		£
Balance at 1 September 2022		498,459
New contracts		435,655
Repayments		(31,500)
Amounts used to pay fees		(364,411)
Amount accrued to contract as debt financing cost		11,012
<b>Balance at 31 August 2023</b>		529,203

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 20. FINANCIAL INSTRUMENTS

	2023 £	2022 £
FINANCIAL ASSETS:		
<b>Debt instruments at amortised cost</b>		
Trade debtors	5,698	47,833
Other debtors	251,540	461,228
Accrued income	-	-
	<u>257,238</u>	<u>509,061</u>
<b>Equity instruments at cost less impairment/ FV through P&amp;L</b>		
Trade investments	425,971	435,178
	<u>425,971</u>	<u>435,178</u>
FINANCIAL LIABILITIES:		
<b>Financial liabilities at amortised cost</b>		
Trade creditors	364,348	145,397
Group creditors	-	-
Other creditors	3,478,978	3,717,844
Accruals	248,035	486,027
Borrowings - bank and debenture loans	1,822,182	1,919,094
	<u>5,913,543</u>	<u>6,268,362</u>

### 21. COMMITMENTS UNDER OPERATING LEASES

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

	Other 2023 £	2022 £
Within 1 year	166,396	132,898
Within 1 to 5 years	73,133	85,757
	<u>239,529</u>	<u>218,655</u>



# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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### 22. SHARE CAPITAL

	2023 £	2022 £
<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

### 23. FUNDS

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

#### a) ENDOWED FUNDS

##### Special Endowment

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

#### b) RESTRICTED FUNDS

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

#### c) UNRESTRICTED FUNDS

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

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted £	Restricted £	Endowed £	Total 2023 £	Total 2022 £
Tangible fixed assets	12,298,363	-	-	<b>12,298,363</b>	11,358,791
Investments	100	113,035	312,936	<b>425,971</b>	435,178
Net current (liabilities)/assets	(2,345,904)	101,822	(27,146)	<b>(2,271,128)</b>	(2,141,557)
Long term liabilities	(2,360,622)	-	-	<b>(2,360,622)</b>	7,705,944
	<b>7,591,840</b>	<b>214,857</b>	<b>285,790</b>	<b>8,092,587</b>	<b>7,705,944</b>

Charity	Unrestricted £	Restricted £	Endowed £	Total 2022 £	Total 2021 £
Tangible fixed assets	12,284,258	-	-	<b>12,284,258</b>	11,336,917
Investments	-	113,035	312,936	<b>425,971</b>	435,178
Net current (liabilities)/assets	(2,333,776)	101,822	(27,146)	<b>(2,259,000)</b>	(1,926,575)
Long term liabilities	(2,360,622)	-	-	<b>(2,360,622)</b>	(2,141,557)
	<b>7,589,860</b>	<b>214,857</b>	<b>285,790</b>	<b>8,090,607</b>	<b>7,703,963</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 25. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 Sept 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	At 31 August 2023 £
<b>Endowed - Expendable</b>						
Revaluation reserve	60,531	-	-	-	(2,365)	58,166
School	222,465	10,335	(5,176)	-	-	227,624
	<b>282,996</b>	<b>10,335</b>	<b>(5,176)</b>	<b>-</b>	<b>(2,365)</b>	<b>285,790</b>
<b>Restricted Funds</b>						
Revaluation reserve	38,384	4,056	-	-	(1,272)	59,259
Bursary and organ fund	-	59,087	-	(59,087)	-	-
Scholarships, bursary & prizes	174,406	4,056	(717)	-	-	177,745
	<b>212,790</b>	<b>63,143</b>	<b>(717)</b>	<b>(59,087)</b>	<b>(1,272)</b>	<b>214,857</b>
<b>Unrestricted Funds</b>						
General Reserve	7,210,158	13,956,791	(13,634,196)	59,087	-	7,591,840
	<b>7,210,158</b>	<b>13,956,791</b>	<b>(13,634,196)</b>	<b>59,087</b>	<b>-</b>	<b>7,591,840</b>
<b>Total Funds</b>	<b>7,705,944</b>	<b>14,030,269</b>	<b>(13,640,089)</b>	<b>-</b>	<b>(3,637)</b>	<b>8,092,487</b>

Note 24 provides details of the individual funds.

### 26. CAPITAL COMMITMENTS

At 31 August 2023, the group had capital commitments as follows:

	2023 £	2022 £
Expenditure contracted for but not provided in the accounts	-	68,491

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST AUGUST 2023****27. PENSION SCHEMES****Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £854k (2022: £1,006k) and at the year-end £0 (2022: £0) was accrued in respect of contributions to this scheme.

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

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

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

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

As a result of the valuation, new employer contribution rates have been set at 28.68% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy).

**Pensions Trust Growth Plan**

The School participates in the TPT Retirement Solutions - The Growth Plan [or the TPT Retirement Solutions – Independent Schools' Pension Scheme], which is a multi-employer scheme providing benefits to over 1,300 non-associated participating employers [or 66 non-associated independent schools]. The scheme is a defined benefit scheme in the UK. It is not possible for the School to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for it as a defined contribution scheme.

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

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

Summary of provision for pension deficit recovery plan

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
TPT Retirement Solutions – The Growth Plan	<b>47</b>	<b>57</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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### Royal London - Defined Contribution Pension Scheme

On 1st January 2022 the Royal London pension scheme was opened to newly recruited teachers in place of the Teachers' Pension scheme and has also been made available to our existing teachers as an alternative option to the Teachers' Pension Scheme. The group made total employer contributions to defined contribution pension schemes of £239,712 (2022: £92,861). As this scheme is solely a defined contribution scheme there are no scheme liabilities to report.

## 28. PENSION SCHEME DEFICIT RECOVERY PLAN

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

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

From 1 April 2022 to 31 January 2025:	£3.312 m per annum
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Unless a concession has been agreed with the Trustee the term to 31<sup>st</sup> January 2025 applies.

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

From 1 April 2019 to 30 September 2025:	£11.243 m per annum (payable monthly and increasing by 3% each on 1 <sup>st</sup> April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

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

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 28. PENSION SCHEME DEFICIT RECOVERY PLAN (Continued)

<b>Present Values of Provision</b>	<b>2023 £000's</b>	<b>2022 £000's</b>
Present value of provision	<b>14</b>	24
<b>Reconciliation of opening and closing provisions</b>	<b>2023 £000's</b>	<b>2022 £000's</b>
Provision at 1 September	<b>57</b>	84
Unwinding of the discount factor	<b>1</b>	-
Deficit contribution paid	<b>(11)</b>	(27)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
<b>Provision at 31 August</b>	<b>47</b>	<b>57</b>

<b>Income and expenditure impact</b>	<b>2023 £000's</b>	<b>2022 £000's</b>
Interest expense	<b>1</b>	-
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>12</b>	-

<b>Assumptions</b>	<b>2023 % per annum</b>	<b>2022 % per annum</b>
Rate of discount	<b>6.04</b>	0.55

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

#### Deficit Contributions Schedule

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

	<b>2023 £000's</b>	<b>2022 £000's</b>
Year 1	<b>24</b>	24
Year 2	<b>23</b>	24
Year 3	-	9

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 28. PENSION SCHEME DEFICIT RECOVERY PLAN (Continued)

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability. The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

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

	2023 £	2022 £
<b>Net income for the period (as per the Statement of Financial Activities)</b>	<b>386,543</b>	1,590,364
<b>Adjustments for</b>		
Depreciation charges	403,145	389,942
(Gains)/losses on investments	6,489	14,444
Dividends, interest, and rents from investments	(14,391)	(12,447)
Financing costs	148,366	103,579
Investment Management Fee	2,720	2,733
Loss/(profit) on the sale of fixed assets	(750)	(350)
(Increase)/decrease in stocks	36,439	27,320
(Increase)/decrease in debtors	251,823	(195,417)
Increase/(decrease) in creditors	(300,054)	436,129
<b>Net cash provided by (used in) operating activities</b>	<b>920,330</b>	2,356,297

### 30. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand and at bank	1,035,528	1,642,929
<b>Total cash and cash equivalents</b>	<b>1,035,528</b>	1,642,929

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

### 31. ANALYSIS OF CHANGES IN NET DEBT

	At 1 <sup>st</sup> Sept 2022	Cash flows	Other non- cash changes	At 31 <sup>st</sup> Aug 2023
	£	£	£	£
<b>Cash and cash equivalents</b>				
Cash	1,642,929	(607,401)	-	<b>1,035,528</b>
	<u>1,642,929</u>	<u>(607,401)</u>	<u>-</u>	<u><b>1,035,528</b></u>
<b>Borrowings</b>				
Loans falling due within one year	(101,282)	(2,499)	-	<b>(103,781)</b>
Loans falling due after more than one year	(1,817,812)	99,411	-	<b>(1,718,401)</b>
	<u>(1,919,094)</u>	<u>96,912</u>	<u>-</u>	<u><b>(1,822,182)</b></u>
<b>Total</b>	<u>(276,165)</u>	<u>(510,489)</u>	<u>-</u>	<u><b>(786 654)</b></u>

### 32. SUBSIDIARIES

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

Denstone College Enterprises Limited had a turnover of £290,503 (2022: £230,206), gross profit of £9,457 (2022: £8,346), and a profit before tax and gift aid of £106 in the year ended 31 August 2023 (2022: profit of £994). At 31 August 2023 the company had shareholder's funds of £100 (2022:100).



# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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

Year Ended 31 August 2022	Unrestricted £	Restricted £	Endowed £	Total £
<b>Income and endowments from Charitable activities</b>				
School fees receivable	11,046,788	-	-	<b>11,046,788</b>
Ancillary trading income	837,54	-	-	<b>837,545</b>
<b>Other trading activities</b>				
Non-ancillary trading income	186,685	-	-	<b>186,685</b>
<b>Investments</b>				
Investment income	-	3,163	9,284	<b>12,447</b>
Bank and other interest	309	-	-	<b>309</b>
<b>Voluntary sources</b>				
Grants and donations	1,388,084	92,224	-	<b>1,480,308</b>
<b>Other incoming resources</b>	350	-	-	<b>350</b>
<b>Total Incoming Resources</b>	<b>13,459,761</b>	<b>95,387</b>	<b>9,284</b>	<b>13,564,432</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Non ancillary trading	183,772	-	-	<b>183,772</b>
Other income generating activities	-	-	-	<b>-</b>
Financing costs	103,579	-	-	<b>103,579</b>
Investment management	-	792	1941	<b>2,733</b>
Fundraising and development	3,600	-	-	<b>3,600</b>
<b>Total Deductible Costs</b>	<b>290,951</b>	<b>792</b>	<b>1,941</b>	<b>293,684</b>
<b>Charitable activities</b>				
Education and grant making	11,653,493	-	9,282	<b>11,662,775</b>
<b>Total resources expended</b>	<b>11,944,444</b>	<b>792</b>	<b>11,223</b>	<b>11,956,459</b>
Net gains/(losses) on investment assets	-	(15,491)	(2,118)	<b>(17,609)</b>
<b>Net income/(expenditure)</b>	<b>1,515,317</b>	<b>79,104</b>	<b>(4,057)</b>	<b>1,590,364</b>
Transfers between funds	88,567	(40,584)	(47,983)	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Pension scheme actuarial gains/(losses)	-	-	-	<b>-</b>
<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>
Fund balances at 1 <sup>st</sup> September	5,606,275	174,269	6,115,580	<b>6,115,580</b>
<b>Fund Balances at 31<sup>st</sup> August</b>	<b>7,210,159</b>	<b>212,789</b>	<b>7,705,944</b>	<b>7,705,944</b>

# DENSTONE COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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### 34. CONTINGENT LIABILITIES

The Company has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2022. As of this date the estimated employer debt for the Company was £173,158, including Series 3 liabilities.

### 35. ULTIMATE CONTROLLING PARTY

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

### 36. RELATED PARTIES

As stated in note 35, Denstone College Limited is a wholly owned subsidiary of The Woodard Corporation. An amount of £75,393 was paid during the year to Woodard Corporation by way of a levy to meet running costs.

Denstone College Enterprises Limited had a turnover of £290,503 (2022: £230,206), gross profit of £9,457 (2022: £8,346), and a profit before tax and gift aid of £106 in the year ended 31 August 2023 (2022: profit of £994). At 31 August 2023 the company had shareholder's funds of £100 (2022: £100).

During the year we made payments totalling £23k to Ainsley & Partners. A Director of the College holds a 50% equity share in Ainsley & Partners. The payment relates to professional fees associated with the Prep School project.

### 37. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2023

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### 38. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

#### *Pension Scheme Deficit Reduction Payments*

As explained at note 28, there is a deficit reduction plan in place in respect of Denstone College's membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

#### *Pension Scheme Contingent Liability*

As explained at note 28, there is a contingent liability in the event that Denstone College were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

#### *Provision for Bad Debts*

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

#### *Depreciation, Impairment and Residual Values of Fixed Assets*

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