

Company registration number: 11751009

Charity registration number: 1184700

Downside School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2021

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Downside School

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Downside School

Reference and Administrative Details

Governors (also members)

M F T Bernard (Chair from 29 April 2022) \$ #

J M Ludlow (Deputy chair) \$ # +

Very Rev Dom N P Wetz #

C M Hughes O.B.E #

H A H Dickinson #

A C Martin \$

T J Wilcox # ~

A C G Griffin \$

J M T Ogilvy-Stuart #

A Barrett #

R Jenkins \$

A Lynch #

A J F Aylward (Resigned 1 April 2020)

Dr R G G Mercer (Resigned 31 March 2022)

J A Scott-Gatty (Resigned 1 April 2022)

\$ Member of general finance and resources committee

Member of education committee

+ Responsibility for health and safety

~ Responsibility for safeguarding

Downside School

Reference and Administrative Details

Clerk to the Governors	V Locke (appointed 6 November 2020) A Maddalena (resigned 1 December 2020)
Charity Registration Number	1184700
Company Registration Number	11751009
Registered Office	Stratton-on-the-Fosse Radstock Somerset BA3 4RJ
Head	A Hobbs
Auditors	Crowe U.K. LLP 4th Floor, St. James' House St. James' Square Cheltenham GL50 3PR
Bankers	Barclays Bank PLC 4 Queen Street Bath BA1 1HE
Solicitors:	Stone King 13 Queens Square Bath BA1 2HJ

Downside School

Governors' Report

The Governors of Downside School, who are also the Directors of the school for the purposes of the Companies Act and Trustees for the purposes of the Charities Act (but herein after are referred to as Governors), present their annual report and the audited financial statements for the year ended 31 January 2021. The annual report serves the purpose of both a Trustees Report and a Directors Report under company law. The financial statements comply with the Charities Act 2011, the Charities Statement of Recommended Practice (second edition) and the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102).

Reference and Administrative Details

Downside School separated from Downside Abbey General Trust which owned and ran Downside School on 11 September 2019 and formed its own Company limited by guarantee, registered number 11751009. The School is also a Charity, registered number 1184700. The Governors, executive officers and principal address of Downside School are listed on page 1 together with the particulars of the Charity's professional advisors.

Structure, governance and management

Nature of governing document

The Charity is governed by its Memorandum and Articles of Association as amended on 22 July 2019.

The Governors who held office during the period are shown on page 1. The structure of the Charity consists of one Governing Body of not more than twelve Governors for Downside School.

Downside School

Governors' Report

Recruitment and appointment of Governors

The Board of Governors shall include the Abbot of Downside Abbey (or an individual appointed by the Abbot), one Governor appointed by the Bishop of the Roman Catholic diocese in which any school operated by the Charity is located and a minimum of six other Governors. The total number of Governors shall not exceed twelve.

New Governors are appointed by ordinary resolution of the Governors and eligibility is subject to personal competence, specialist skills and availability. New Governors are inducted into the working of the Charity and the management of the school, including its policies and procedures, at training meetings organised for them by the Chairman, the Head and the Clerk to the Governors. Governors' training needs are assessed on an individual basis and training is given as appropriate. Recent training included attending an in-house session on Child Protection and Safeguarding. All Governors are required to and have undertaken a Safeguarding on line training course supplied by Educare. Regular guidance notes and information from AGBIS is received by the Clerk and forwarded to all Governors.

Senior personnel are recruited on the basis of national advertisement and selection by Governors and other senior personnel. The Governors' Finance and Resources Committee considers the remuneration of senior personnel where appropriate at their summer term meeting. Consideration is given to benchmarking, in particular the Association of Governing Bodies of Independent Schools (AGBIS) Survey on Heads and Bursars Remuneration, market information and time in their position. Governors will also consider performance against objectives.

Organisational structure

The Governors are legally responsible for the overall management and control of Downside School and meet, either in person or virtually, at least three times a year. There are two sub-committees; during the year to 31 January 2021- the Education Committee was chaired by Catherine Hughes and the General Finance and Resources Committee was chaired by James Scott-Gatty. Both committees meet regularly to consider their specific issues prior to presenting their recommendations or proposals to the full Board. The General Finance and Resources Committee is responsible for considering Business Risk throughout the year and reporting on this issue to the full Board during the summer term. The members of each sub-committee are listed on page 1. In addition, there are two Governors with specific responsibilities for Health and Safety and Safeguarding. During the year to 31 January 2021 these were John Ludlow and Terri Wilcox respectively.

The day to day running of the School is delegated to the Head, supported in this by the Senior Leadership Team of the School. This comprises the Director of Operations, the Director of Finance and the Deputy Head. Relevant members of the Leadership Team attend the Governors' sub-committee and full Board meetings.

Downside School

Governors' Report

Governors' indemnities

As permitted by the Articles of Association, the Governors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial period and remains in force in the current year. The Company also purchased and maintained throughout the financial period Governors' and Officers' liability insurance in respect of itself and its Governors.

Major risks and management of those risks

The major risks to which the School is exposed, as identified by the Governors, have been reviewed and systems have been established to mitigate those risks.

The following are the principal risks and uncertainties facing the school:

- Impact on reputation of event, fraud, accident, media coverage etc;
- Maintenance in pupil numbers affecting liquidity and cash flows;
- Maintenance of effective senior leadership.

The following is a summary of the School's plans and strategies for managing those risks:

- Compliance with regulatory requirements; ongoing self-evaluation of teaching, curriculum etc; SWOT analysis; regular review of Disaster Recovery Plan; compliance with Child Protection policies and procedures; Governor oversight;
- Regular Governor self-evaluation; regular Governor training; regular Governor and sub-committee meetings;
- The school operates an effective marketing strategy to maintain/increase pupil numbers.

Group structure and relationships

Downside School actively supports the attainment of the highest standards in the Independent Schools sector. To this end, it actively networks with other leading schools and participates in peer group studies for the evaluation of quality and performance improvement methods. The School also cooperates with many local charities in an ongoing endeavours to widen public access to the schooling that it can provide, to optimise the educational use of its cultural and sporting facilities and to awaken in its pupils, in the public interest, an awareness of the social context of the all-round education they receive at the School. Downside School also benefits from the generosity of past pupils through the St. Gregory's Society and from parents and others through the Downside Association.

Downside School

Governors' Report

The Charity has a wholly owned non-charitable subsidiary, Downside School Enterprises Limited, which principally operates a school shop and also generates income for the School through the letting of its facilities during school holidays.

The School maintains a close relationship with Downside Abbey General Trust with whom they share part of the site and some of the site's facilities and resources. The legal governance arrangements between the School and Downside Abbey General Trust include appropriate robust provisions for pupil safeguarding.

Objects, aims, objectives and activities

Charitable objects

The School's charitable objects are;

1. To advance Roman Catholic education in the Benedictine tradition and the Roman Catholic faith in particular, but without prejudice to the generality of the foregoing, by running a school known as Downside School;
2. To advance education by providing facilities for the education and training of children and young people provided that such provision shall be ancillary or incidental only to the running of a school known as Downside School in accordance with the above;
3. To support the work of the Downside Abbey General Trust.

Public benefit aims and intended impact

The Trustees have regard to the Charity Commission's guidance on public benefit. To achieve these objects, the public benefit aim is to provide a Catholic and Benedictine education focused on the formation of young people to enable them to realise their potential as contributors to society. Downside focuses on academic excellence and aims to develop the character of its pupils, emphasising the importance of moral courage, integrity and service to others.

The School also fosters the highest standards in sport, both in performance and sportsmanship, and in the arts has a tradition of inspired theatrical productions. The school endeavours, in addition, to give children an appreciation of 'the poetry of life', a sense of its beauty, form, mystery and joy.

The School contributes to the Camino Partnership of Catholic Schools in the southern part of the Diocese of Clifton to promote Catholic education. The partnership provides a network of support to fellow schools and shares expertise from Chaplaincy and the teaching of religious studies to Heads and Governors of schools. The partnership involves both primary and secondary schools from the maintained and independent sector.

Downside School

Governors' Report

The School regularly hosts events for local primary schools, including modern language days, choral singing days, sporting events and 'Race for the Line' events. Pupils and staff support the learning of Spanish in a local primary school.

Pupils participate in a number of Community service activities, including a soup run in Bath and visiting local homes for the elderly, primary schools and other social institutions. They also raise funds for a number of different charitable organisations, including Mary's Meals, and CAFOD. Pupils take part in an annual overnight sleep out in support of charities supporting the homeless.

The School has implemented a number of environmentally conscious waste disposal and recycling schemes, reflecting its commitment to green issues and to encourage a socially conscious outlook amongst its pupil body.

The School's outreach work has included its specialist sports staff coaching, refereeing and umpiring at a number of Prep Schools and also working with local primary schools.

The School has forged a strong relationship with Bath Rugby, and on occasions hosts the Bath Development Player Programme where the School regularly hosts 40-50 boys at under aged 14 and below.

Downside is the satellite coaching hub for Somerset Cricket Board in the North of the county, seeing hundreds of talented players (girls and boys) visit Downside for training. We also host County Age Group fixtures at junior level.

Objectives for the year

The Charity's objectives for the year were to continue to embed the educational offering which commenced in September 2019. The separation from Downside Abbey General Trust required new structures to be implemented and facilities resourced.

The new vision statement is 'Downside's vision, as a Catholic and Benedictine school with Christ at its centre, is to be a bright light in education and to inspire service in our world.'

The School also reviewed and amended its mission statement to read:

'We will renew and strengthen our roots as a Catholic community, building relationships internationally, to become a school, which serves our world through its formation and education of young people, with the resources to meet our charitable objectives sustainably.'

Under this mission statement lie four key principles that seek to cover all areas of school life:

Downside School

Governors' Report

- We see it as our purpose to awaken and nurture a lifelong commitment to learning and growing (*conversatio morum* - Rule of St. Benedict);
- The relationship between the family and the school is one of dedicated and accountable partners;
- We challenge the transactional and utilitarian view of education;
- Specific and measurable outcomes need to be used as important indicators of how well the partnership is working.

The guiding policy for our principles is the parable of the talents which will be our model for gauging performance and the parables of the lost sheep and the prodigal son will provide our pattern for pastoral care.

The key strategies are:

- We will invest in building a strong faith based culture that challenges our pupils to make their unique contribution, with the help of all in the Downside community;
- We will establish a programme of staff retreats to underpin the Catholic and Benedictine culture of the School;
- We will embed the Relationship and Sex Education (RSE) programme so that respect will be at the heart of every relationship in our community;
- We will value and celebrate pupil engagement and achievement, recognising the unique contribution of each individual in accordance with their talents;
- Working with the wider Downside Community, we will establish a funding stream which provides one fully subsidised place for an academic scholar in each year group by 2026;
- We will ensure that the School is successfully funded to continue its work.

Principal activities for the year

The School had no fundraising activities requiring disclosure under S162A of the Charities Act.

Downside School

Governors' Report

Fee remission policy

During the year the value of scholarships, grants, prizes and bursaries made to the School's pupils out of unrestricted funds totalled £2,791,485 (2020 - £908,218). Of this, £502,662 (2020 - £296,403) being 5.1% of fee income, (2020 - 7.3%) was awarded in Scholarships and £2,288,823 (2020 - £611,815) being 23.3% of fee income (2020 - 15.0%), in bursaries and discounts.

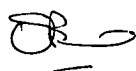
All bursaries are means-tested according to the school's policy and criteria. The remainder of the funds cover fees to overseas and British Agents, standardised discounts to members of the armed forces, members of staff and siblings of current pupils. The School does not benefit from any endowments to fund scholarships. The policy of the Governors is to make awards on the basis of the individual's educational, musical, artistic or sporting potential, or to relieve hardship where the pupil's education and further prospects would otherwise be at risk. Details of such awards for fee-assistance, together with the terms and conditions for each kind of award, are available from the Bursary.

Details of the Reserves Policy, plans for future periods and financial risk management are included within the Strategic Report.

Disclosure of information to auditor

Each Governor has taken steps that they ought to have taken as a Governor in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Governors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the Governors of the charity on 25/11/2022 and signed on its behalf by:



.....
M F T Bernard
Governor

Downside School

Strategic Report for the Year Ended 31 January 2021

Achievements and performance

The School had no fundraising activities requiring disclosure under S162A of the Charities Act.

Whole school

The arrival of the Coronavirus during this year created an unprecedented challenge for the School bringing a premature ending to the Lent term as the country went into lockdown. This required the education to move online and to reimagine how to maintain the broader life beyond the curriculum. As a Catholic and Benedictine school, the spiritual life of the community is fundamental to its culture and although pupils and staff were not together in person, School and House assemblies, hymn practices and lectio divina continued and provided confidence and stability. The School's online provision was extremely well received by pupils and parents.

Despite the challenge of online and blended learning, the pupils of all abilities continued to achieve extremely well academically, with considerable achievement above baseline for all and excellent performance by the most able. The Centre Assessed Grades in both A level (54.1 % A*/A and 81.2% A*-B) and GCSE (55.9% 9-7 and 88.3% 9-5) in the Summer of 2020 showed that Downside pupils once again performed exceptionally.

Music and drama are an essential aspect of building confidence and provide pupils with a superb opportunity to work collaboratively. The School musical for the year 'Our House' was a highlight in the Lent term in February. Many pupils have LAMDA lessons for speech and drama.

Music is a central aspect of school life. There are three Chamber Choirs at Downside: a boys' choir, a girls' choir and a mixed choir. They specialise in a cappella performances, sacred and secular, and rehearse weekly. Membership is by invitation. The Chamber Choirs sing Mass on some Sundays and are much in demand for concerts. When the pupils were absent from school during lockdown there were online collaborations and recordings.

Orchestral, band and chamber music also flourish at Downside, with frequent concerts and weekly recitals. The Combined Cadet Force (CCF) and Pipe Bands are also in demand. The CCF band plays for the annual CCF inspection, and accompanies the Remembrance Day service. Both bands regularly perform at School concerts and parades, as well as at private functions. We also have Jazz, Rock and Concert Bands, a Saxophone Group and a Drum Line, amongst others. The CCF band has led the Remembrance Parade in Bath for a number of years and the Pipe Band plays annually at the Stratton-on-the-Fosse Village Day in September. As with singing the orchestral and band music was limited by the restrictions caused by the pandemic.

Downside School

Strategic Report for the Year Ended 31 January 2021

In Art, pupils are encouraged to explore as many styles and media as possible. With an Artist-in-Residence, and regular visits to exhibitions, galleries and museums, pupils are provided with lots of inspiration. In Design and Technology pupils combine practical and technological skills with creative thinking to design and make products and systems that meet human needs. They learn to use current technologies and consider the impact of future technological developments. They learn to think creatively and intervene to improve the quality of life, solving problems as individuals and members of a team.

Through Downside's Combined Cadet Force, pupils throughout the School are able to take part in a broad range of challenging, exciting and adventurous activities. All Third Form (aged 13+) pupils are able to experience the full range of CCF activity during the academic year. At the end of the Third Form, pupils can elect to move onto the Royal Navy, or Army, section in their senior years at Downside. One full afternoon per week is allocated to CCF activity, with additional camps, expeditions and training sessions scheduled throughout the year. Obviously expeditions were curtailed by the lockdown.

A vast range of sporting opportunities are available to pupils and the philosophy held by pupils and staff is to adopt a positive mental attitude and develop an exceptional work ethic. We promote fitness and enjoyment, and aim to develop each pupil's personal best. Pupils are offered a wide range of options including rugby, hockey, football, netball, cross country, cricket, tennis and athletics. Teams are fielded for all age groups. The School maintained an online sports programme during lockdown, providing for all pupils. There was also a comprehensive and detailed programme for sports scholars and those in elite pathways.

Downside School

Strategic Report for the Year Ended 31 January 2021

Financial review

The Charity commenced trading on 11 September 2019. The income for the year ended 31 January 2021 arises from 12 months of trading as a School, following a trading period of approximately 5 months to 31 January 2020, and was £8,866,119 (2020 - £3,656,167) with the fee income being £7,225,084 (2020 - £3,322,818). Expenditure amounted to £9,058,046 (2020 - £4,137,027), reflecting the first full year of trading. The principal funding source for the period was fee income which supported the key objectives of the School in providing education to pupils.

The worldwide Coronavirus pandemic (COVID-19) experienced in 2020 necessitated the closure of the School on 20 March 2020. The summer term 2020 was conducted via remote learning in line with the Government advice. Fees were charged at a reduced rate to recognise the alternative offer. The financial impact on the School was significant with a loss of fee income alone of £1,010,000. An additional impact on the anticipated income occurred due to the loss of Summer School and other lettings income. The Governors recognised this significant impact, taking this into account in the School's financial management.

Expenditure on charitable activities was lower than anticipated. This was due to the closure of the School which resulted in savings in variable costs and consumables. Staff costs were also significantly reduced due to Government employee furlough financial support. The Governors have recognised the need for cost control in order to ensure the School's continuing financial viability.

Bank loans

The Charity has taken over a loan originally taken out by Downside Abbey General Trust, amounting to £2,572,124 and outstanding at 31 January 2021, and is responsible for capital repayment and interest costs.

Government support

The Government implemented a number of business support schemes of which a number were available to schools. During the period, the School received a Government Grant in respect of the Coronavirus Job Retention Scheme (CJRS) for the period from March to August 2020 whilst the School was closed.

Downside School

Strategic Report for the Year Ended 31 January 2021

Reserves policy

The Charity commenced trading on 11 September 2019 with nil reserves. During its first trading period to 31 January 2021 it made a loss and therefore there are negative reserves at the start of this period. The Charity's assets are sufficient to meet its obligations, however income for the period was impacted by COVID-19 and had a significant effect on working capital. At the end of the period (31 January 2021), there were no restricted funds and no material amounts designated or otherwise committed. The reserves policy now and in the future is to build up resources by means of annual operating surpluses whilst continuing to invest in resources for current and future pupils.

Investment policy and objectives

The School has a beneficial interest in shares in the Bank of New York at a value of £145,656 at 31 January 2021 (2020 - £153,613). These are 23% of the shares held by Downside Abbey General Trust and remain in the name of the Trust. The percentage transferred to the school's ownership is stated in the legal Separation Agreement between the Trust and the School. The School also has a beneficial interest in shares in Telecom Plus PLC to the value of £78,240 as 31 January 2021 (2020 - £90,720). These are also held in the name of Downside Abbey General Trust and stated as transferred to the School under the terms of the Separation Agreement.

Principal risks and uncertainties

The Governors are responsible for the management of the risks faced by the Charity. Detailed considerations of the risks are delegated to the General Finance and Resources Committee, which is assisted by the Head and the Director of Finance. Risks are identified, assessed and controls are established throughout the year. A formal review of the Charity's Risk Management process is undertaken on an annual basis. The key controls used by the Charity include

- Formal agendas for all Committee and Board activities;
- Detailed terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approved levels; and
- Vetting procedures as required by law for the protection of the vulnerable.

Through the risk management process established for the Charity, the Governors are satisfied that major risks are identified and appropriately mitigated where necessary.

Principal risks are identified as being:

Downside School

Strategic Report for the Year Ended 31 January 2021

- Maintaining pupil numbers; and
- The bank withdrawing its loan facility.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Financial risk management

The Charity's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The School is exposed to credit risk as its main customers are the parents of pupils. The School is active in discussing payment terms with parents and agreeing payment plans where required. The School is exposed to liquidity risk but minimises the exposure by actively monitoring its monthly cash flow. Similarly, the School is also exposed to a rise in interest rates which it minimises by ensuring a reasonable contingency amount within the appropriate budget heading. In addition, the Charity has in place a risk management programme that seeks to limit the adverse effect on the financial performance of the Charity. The School has some boarding pupils from European countries and this market may be affected by the recent exit from the European Union.

Going concern

The School has prepared detailed forecasts through to August 2024 which reflect the School's strategy to generate surpluses and positive cash flows. The Governors and Downside Abbey General Trust have also agreed to repurpose the latter's financial support amounting to £4m, under the School's Separation Agreement with it, as set out in note 22. This is to ensure that the School has sufficient financial resources to meet its operational needs and to ensure repayment of the bank loan which it has taken over from Downside Abbey General Trust.

The School is currently facing new cost of living and inflation related pressures, which are anticipated to have an impact and have been factored in to its financial forecasts and planning. Notwithstanding these pressures, the School is forecasting surpluses and positive cash flows and as such the Governors are of the opinion that the accounts should be prepared on a going concern basis.

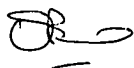
Plans for future periods

The School is continuing to formulate strong and robust strategic targets that focus on key areas including academic, pastoral, marketing and admissions, business development and community outreach. The key strategies are outlined under the objectives for the year. These are being developed and acted on and will be reviewed and revised in the light of the second year of trading.

Downside School

Strategic Report for the Year Ended 31 January 2021

The strategic report was approved by the Governors of the charity on 25/11/2022 and signed on its behalf by:



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M F T Bernard
Governor

Downside School

Statement of Governors' Responsibilities

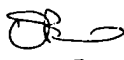
The Governors (who are also the directors of Downside School for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

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

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

Approved by the Governors of the charity on 25/11/2022 and signed on its behalf by:



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M F T Bernard
Governor

Downside School

Independent Auditor's Report to the Members of Downside School

Opinion

We have audited the financial statements of Downside School (the 'charity') for the year ended 31 January 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 January 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Downside School

Independent Auditor's Report to the Members of Downside School

Other information

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

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

We have nothing to report in this regard.

Opinion 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 Strategic Report and Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Governors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Governors' Report.

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

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

Downside School

Independent Auditor's Report to the Members of Downside School

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities (set out on page 16), the Governors 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 Governors 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 Governors are responsible for assessing the charity'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 Governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

Downside School

Independent Auditor's Report to the Members of Downside School

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 Governors, 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 charity's Governors 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 its Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Downside School

Independent Auditor's Report to the Members of Downside School

A handwritten signature in black ink, appearing to read 'Guy Biggin' with a stylized flourish at the end.

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

Date: 25 November 2022

Downside School

Statement of Financial Activities for the Year Ended 31 January 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 31 January 2021 £
Income and Endowments from:			
Donations and legacies	3	1,551,259	1,551,259
Charitable activities	2	7,225,084	7,225,084
Other trading activities	6	5,600	5,600
Investment income		6,509	6,509
Other income		<u>77,667</u>	<u>77,667</u>
Total income		<u>8,866,119</u>	<u>8,866,119</u>
Expenditure on:			
Raising funds		(513,774)	(513,774)
Charitable activities	7	<u>(8,544,272)</u>	<u>(8,544,272)</u>
Total expenditure		(9,058,046)	(9,058,046)
Gains/losses on investment assets		<u>(20,437)</u>	<u>(20,437)</u>
Net expenditure		<u>(212,364)</u>	<u>(212,364)</u>
Net movement in funds		(212,364)	(212,364)
Reconciliation of funds			
Total funds brought forward		<u>(451,999)</u>	<u>(451,999)</u>
Total funds carried forward		<u><u>(664,363)</u></u>	<u><u>(664,363)</u></u>

The notes on pages 27 to 46 form an integral part of these financial statements.

Downside School

Statement of Financial Activities for the Year Ended 31 January 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted funds	Total 4 January 2019 to 31 January 2020
	Note	£	£
Income and Endowments from:			
Donations and legacies	3	333,349	333,349
Charitable activities	2	3,322,818	3,322,818
Total income		<u>3,656,167</u>	<u>3,656,167</u>
Expenditure on:			
Raising funds		(33,701)	(33,701)
Charitable activities	7	(4,103,326)	(4,103,326)
Total expenditure		<u>(4,137,027)</u>	<u>(4,137,027)</u>
Gains/losses on investment assets		28,861	28,861
Net expenditure		<u>(451,999)</u>	<u>(451,999)</u>
Net movement in funds		<u>(451,999)</u>	<u>(451,999)</u>
Reconciliation of funds			
Total funds carried forward		<u>(451,999)</u>	<u>(451,999)</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 22.

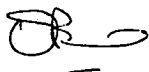
The notes on pages 27 to 46 form an integral part of these financial statements.

Downside School

(Registration number: 11751009)
Balance Sheet as at 31 January 2021

		31 January 2021 £	4 January 2019 to 31 January 2020 £
Fixed assets			
Tangible assets	11	1,664,178	1,914,541
Investments	12	<u>223,896</u>	<u>244,333</u>
		<u>1,888,074</u>	<u>2,158,874</u>
Current assets			
Stocks	13	-	28,460
Debtors	14	2,102,002	2,780,283
Cash at bank and in hand		<u>1,549,572</u>	<u>1,325,897</u>
		3,651,574	4,134,640
Creditors: Amounts falling due within one year	15	<u>(3,777,269)</u>	<u>(4,173,389)</u>
Net current liabilities		<u>(125,695)</u>	<u>(38,749)</u>
Total assets less current liabilities		1,762,379	2,120,125
Creditors: Amounts falling due after more than one year	16	<u>(2,426,742)</u>	<u>(2,572,124)</u>
Net liabilities		<u>(664,363)</u>	<u>(451,999)</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds	19	<u>(664,363)</u>	<u>(451,999)</u>
Total funds		<u>(664,363)</u>	<u>(451,999)</u>

The financial statements on pages 22 to 46 were approved by the Governors, and authorised for issue on 25/11/2022 and signed on their behalf by:



.....
M F T Bernard
Governor

The notes on pages 27 to 46 form an integral part of these financial statements.

Downside School

Statement of Cash Flows for the Year Ended 31 January 2021

		31 January 2021 £	4 January 2019 to 31 January 2020 £
	Note		
Cash flows from operating activities			
Net cash expenditure		(212,364)	(451,999)
Adjustments to cash flows from non-cash items			
Depreciation		376,646	134,579
Revaluation of investments		20,437	(28,861)
		<u>184,719</u>	<u>(346,281)</u>
Working capital adjustments			
Decrease/(increase) in stocks	13	28,460	(28,460)
Decrease/(increase) in debtors	14	678,281	(2,780,283)
Increase in creditors	15	53,910	1,766,128
(Decrease)/increase in deferred income	16	(455,133)	2,266,982
Net cash flows from operating activities		<u>490,237</u>	<u>878,086</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(126,283)	(2,049,120)
Purchase of investments	12	-	(215,472)
Net cash flows from investing activities		<u>(126,283)</u>	<u>(2,264,592)</u>
Cash flows from financing activities			
Value of new loans obtained during the period		-	2,712,403
Repayment of loans and borrowings	15	(140,279)	-
Net cash flows from financing activities		<u>(140,279)</u>	<u>2,712,403</u>
Net increase in cash and cash equivalents		223,675	1,325,897
Cash and cash equivalents at 1 February 2020		<u>1,325,897</u>	-
Cash and cash equivalents at 31 January 2021		<u><u>1,549,572</u></u>	<u><u>1,325,897</u></u>

The notes on pages 27 to 46 form an integral part of these financial statements.

Downside School

Statement of Cash Flows for the Year Ended 31 January 2021

Reconciliation of net cash flow to movement in net funds

Increase in cash	223,675	1,325,897
Cash outflow from repayment of loans	<u>(140,279)</u>	<u>2,572,124</u>
Change in net funds resulting from cash flows	83,396	3,898,021
Other non-cash movements	<u>5,103</u>	<u>-</u>
Movement in net funds	88,499	3,898,021
Net funds at 1 February 2020	<u>1,325,897</u>	<u>-</u>
Net funds at 31 January 2021	<u><u>1,414,396</u></u>	<u><u>3,898,021</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 27 to 46 form an integral part of these financial statements.

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

1 Accounting policies

Company information

Downside School is a charity, registered number 1184700, is a Public Benefit Entity registered as a Charity in England and Wales and is a Company Limited by Guarantee.

The accounting policies of the School, which have been applied consistently throughout the year, are listed below.

Basis of accounting

The financial statements have been prepared in accordance with the Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest pound.

Going concern

The Governors have prepared the financial statements on a going concern basis as, in their opinion, the School is able to meet its obligations as they fall due.

The School has prepared detailed financial forecasts through to August 2024 which reflect the School's strategy to generate surpluses and positive cash flows. The Governors and Downside Abbey General Trust have also agreed to repurpose the latter's financial support, amounting to £4m, under the School's Separation Agreement with it, as set out in note 22. This is to ensure that the School has sufficient financial resources to meet its operational needs and to ensure repayment of the bank loan, which it has taken over from Downside Abbey General Trust.

The School is currently facing new cost of living and inflation related pressures, which are anticipated to have an impact and have been factored in to its financial forecasts and planning. Notwithstanding these pressures the School is forecasting surpluses and positive cash flows and as such the Governors are of the opinion that the accounts should be prepared on a going concern basis.

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

Group accounts not prepared

Downside School has a wholly owned non-charitable subsidiary, Downside School Enterprise Limited. These financial statements have not been consolidated as the results of Downside School Enterprise Limited are not material to the Group.

Incoming resources

Income is recognised in the period in which the School is entitled to receipt and the amount can be measured with reasonable certainty.

Fees receivable and charges for services and use of the premises are accountable for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School. The School offers means tested bursaries and scholarships which carry a monetary value of remission which is deducted from gross fees. Discounts are also offered to siblings of current pupils, military families and pupils whose parents and grandparents previously attended the School.

Donations and legacies

Donations and any associated income tax reclaimable from HM Revenue and Customs are recognised on a receivable basis. Donations received for the general purpose of the Charity are credited to unrestricted funds. Donations subject to specific wishes are carried to relevant restricted funds.

Legacies are accounted for as they are received or if, before receipt, it becomes reasonably certain that the legacy will be received and the value of the legacy can be measured with reasonable certainty.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

Resources expended

Resources expended are accounted for in the period in which they are incurred. Any irrecoverable element of Value Added Tax is included with the item of expense to which it relates.

Where an item of expenditure falls directly within one cost category, it is attributed to that category only. Where expenditure involves more than one category, it is apportioned on a reasonable and justifiable basis.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

Tangible fixed assets

Tangible assets are held on the balance sheet at cost less accumulated depreciation. Cost includes the purchase price of the asset plus all costs incurred in bringing the asset into use. Subsequent expenditure is capitalised where it extends the life or increases the value of the asset.

Depreciation and amortisation

Tangible fixed assets are depreciated on a straight line basis over the following periods:

Asset class	Depreciation method and rate
Equipment, fixtures and fittings	3 to 20 years straight line
Motor vehicles	5 years straight line

Listed investments

Investments are shown in the balance sheet at market value at the balance sheet date.

Realised and unrealised gains and losses on investment assets are included in the Statement of Financial Activities in the year in which they arise. Investment income is credited to income on an accruals basis.

Stock

Stocks are stated at the lower of cost and net realisable value. They exclude purchases of supplies allocated to the subsequent academic year. Cost represents purchase price on a first in first out basis. Net realisable value is based on estimated selling price.

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

Trade debtors

Debtors are recognised at the corresponding transaction value.

Trade creditors

Creditors are recognised where the School has a present obligation which results from a past event that in all probability, will result in the transfer of funds to a third party and the amount due to settle the obligation can be reliably measured.

Deferred income

The School offers parents the opportunity to pay for up to five years tuition fees in advance in accordance with a written contract. This is treated as deferred income until the pupil joins the School whereupon, the fee for each School term are charged against the remaining balance and taken to income. All amounts are included within creditors due within one year as the amounts are repayable on demand if the pupil leaves.

Retirement benefits

The School contributed to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS 17, the scheme is accounted for as a defined contribution scheme.

The School has exited the Teachers' Pension Scheme with effect from 31 December 2020 and a new defined contribution scheme with Aviva has been provided in its place.

All other pension arrangements are defined contribution schemes where the assets of the schemes are held separately from those of the School in an independently administered fund.

In all cases, the pension cost charges represent contributions payable by the School to the fund.

Charitable funds

Unrestricted funds are available for use at the discretion of the Governors in furtherance of the general objectives of the School and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the School for a specific purpose. The costs of raising and administering funds are charged against the specific fund. The aim of each restricted fund is set out in the notes to the financial statements.

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

Critical accounting judgements and estimation uncertainty

The following are considered to be critical accounting judgements made in applying the School's accounting policies:

The Teacher's Pension Defined Benefits Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS 102, the scheme is accounted for as a defined contribution scheme and contributions are charges to the Statement of Financial Activities when payable.

The following significant estimates and assumptions have been made in applying the School's accounting policies:

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives of assets. Estimated lives are reassessed annually and considered to reflect the remaining life of an asset.

The School makes an estimate of the recoverable value of trade and other debtors. Factors such as the ageing profile of the debtors and historical experience are taken into account. Bad debts are considered on a case by case basis by taking into account the likelihood of recovery. Debts are written off by approval of the Governors if this is deemed appropriate.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

2 Income from charitable activities

	Unrestricted funds £	31 January 2021 £	4 January 2019 to 31 January 2020 £
Fee income	<u>7,225,084</u>	<u>7,225,084</u>	<u>3,322,818</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

Fee income comprises of the following:

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Gross fees	9,804,068	4,079,804
Less: total scholarships, bursaries and fee assistance	(2,791,485)	(908,218)
Other fee income	208,727	140,544
Registration fees	3,774	10,688
	<u>7,225,084</u>	<u>3,322,818</u>

3 Donations and legacies

	Unrestricted funds £	Total 31 January 2021 £	Total 4 January 2019 to 31 January 2020 £
Donations and gifts	1,159,043	1,159,043	333,349
Grants, including capital grants; Government grants	<u>392,216</u>	<u>392,216</u>	<u>-</u>
	<u>1,551,259</u>	<u>1,551,259</u>	<u>333,349</u>

Government grant income relates to the Covid Job Retention Scheme.

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

4 Trading subsidiary

The School has a wholly-owned trading subsidiary which is incorporated in the UK. Downside School Enterprises Limited (registered company number 02456168) operates a shop and the letting of the School during the school holiday's. The subsidiary company was removed from the Register on 30 March 2021 and is currently going through the process to be reinstated.

During the year ended 31 August 2020, Downside School Enterprises Limited achieved sales of £101,037 and generated a net profit of £43,740. Net assets of the subsidiary totalled £43,741.

5 Net expenditure

The net expenditure for the period is stated after charging:

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Depreciation	375,610	134,579
Auditors remuneration	16,500	10,750
Loan interest	87,450	21,944
Bank charges	4,053	2,254
	<u>483,613</u>	<u>169,527</u>

6 Income from other trading activities

	Unrestricted funds £	2021 £	4 January 2019 to 31 January 2020 £
Events income;			
Other events income	5,600	5,600	-
Appeals and donations	1,159,043	1,159,043	333,349
Pupil extras	208,727	208,727	140,544
Other income	77,667	77,667	-
	<u>1,451,037</u>	<u>1,451,037</u>	<u>473,893</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

7 Expenditure on charitable activities

	Teaching	Welfare	Premises	Support	Total 2021	Total 2020
Staff costs	3,467,768	693,553	462,369	1,155,923	5,779,613	2,323,030
Expenditure on raising funds	-	-	-	513,774	513,774	33,701
Depreciation and impairment	-	-	374,046	-	374,046	134,579
Other costs	598,231	559,892	508,456	636,059	2,302,638	1,622,175
Governance costs	-	-	-	87,975	87,975	23,542
	<u>4,065,999</u>	<u>1,253,445</u>	<u>1,344,871</u>	<u>2,393,731</u>	<u>9,058,046</u>	<u>4,137,027</u>
Analysis by fund						
Unrestricted funds	<u>4,065,999</u>	<u>1,253,445</u>	<u>1,344,871</u>	<u>2,393,731</u>	<u>9,058,046</u>	<u>-</u>
For the period ended 31 January 2020						
Unrestricted funds	<u>1,867,369</u>	<u>369,601</u>	<u>1,043,323</u>	<u>856,734</u>	<u>-</u>	<u>4,137,027</u>

8 Analysis of governance and support costs

Governance costs

	Unrestricted funds £	2021 £	2020 £
Audit fees			
Audit of the financial statements	16,500	16,500	10,750
Legal and professional fees	63,202	63,202	2,541
Governors expenses	8,273	8,273	10,251
	<u>87,975</u>	<u>87,975</u>	<u>23,542</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

9 Staff costs

The aggregate payroll costs were as follows:

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Staff costs during the year were:		
Wages and salaries	4,655,508	2,173,075
Social security costs	430,264	77,899
Pension costs	645,727	72,056
Other staff costs	48,114	-
	<u>5,779,613</u>	<u>2,323,030</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year was as follows:

	31 January 2021 No	4 January 2019 to 31 January 2020 No
Teaching	94	94
Other	103	116
	<u>197</u>	<u>210</u>

During the year, the charity made termination payments which totalled £32,489 (2020 - £Nil).

Key Management personnel of the School are deemed to be the Senior Leadership Team. The total amount paid to key management personnel, including employers pension, National Insurance contributions and any benefits in kind was £594,153 (2020 - £294,035).

The Governors received no remuneration. Governors were reimbursed travel and training expenses totalling £8,273 (2020 - £10,251).

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

The number of employees whose emoluments fell within the following bands was:

	31 January 2021 No	4 January 2019 to 31 January 2020 No
£60,001 - £70,000	4	-
£70,001 - £80,000	1	1
£120,001 - £130,000	<u>1</u>	<u>-</u>

The pension contributions included within the above bands amounts to £89,005 (2020 - £13,236).

10 Taxation

The School is a registered charity and as such, is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the School's primary objectives if these profits and surpluses are applied solely for charitable purposes.

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

11 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 February 2020	-	2,042,467	-	2,042,467
Additions	29,357	92,926	4,000	126,283
At 31 January 2021	29,357	2,135,393	4,000	2,168,750
Depreciation				
At 1 February 2020	-	127,926	-	127,926
Charge for the year	235	375,611	800	376,646
At 31 January 2021	235	503,537	800	504,572
Net book value				
At 31 January 2021	29,122	1,631,856	3,200	1,664,178
At 31 January 2020	-	1,914,541	-	1,914,541

12 Fixed asset investments

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Other investments	223,896	244,333

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

Other investments

	Listed investments £	Unlisted investments £	Total £
Cost or Valuation			
At 1 February 2020	90,720	153,613	244,333
Revaluation	<u>(12,480)</u>	<u>(7,957)</u>	<u>(20,437)</u>
At 31 January 2021	<u>78,240</u>	<u>145,656</u>	<u>223,896</u>
Net book value			
At 31 January 2021	<u>78,240</u>	<u>145,656</u>	<u>223,896</u>
At 31 January 2020	<u>90,720</u>	<u>153,613</u>	<u>244,333</u>

Downside School owns shares in an investment fund jointly with Downside Abbey General Trust. The School holds 22% of the joint holding.

The listed investment represents 6,000 shares held in Telecom Plus PLC.

13 Stock

	31 January 2021 £	4 January 2019 to 31 January 2020 £
School stores	<u>-</u>	<u>28,460</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

14 Debtors

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Trade debtors	1,642,776	928,508
Due from Group undertakings	51,892	115,918
Prepayments and accrued income	254,710	143,154
Other debtors	152,624	1,592,703
	<u>2,102,002</u>	<u>2,780,283</u>

15 Creditors: amounts falling due within one year

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Bank borrowings	145,382	140,279
Trade creditors	116,720	273,070
Other taxation and social security	101,342	92,875
Other creditors	1,380,911	1,097,738
Accruals	221,065	302,445
Fees in advance	1,514,813	1,922,415
Advance fees scheme	297,036	344,567
	<u>3,777,269</u>	<u>4,173,389</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

Fees received under the fees in advance scheme will be applied as follows:

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Within 1 to 2 years	179,812	226,343
Within 2 to 5 years	117,224	118,224
	<u>297,036</u>	<u>344,567</u>

The advanced fees balance represents the accrued liability under the contracts. Capital movements during the period were:

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Balance brought forward	344,567	-
Contracts transferred from DAGT	-	390,929
New contracts	129,240	84,631
Amounts utilised	<u>(176,771)</u>	<u>(130,993)</u>
	<u>297,036</u>	<u>344,567</u>

16 Creditors: amounts falling due after one year

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Bank loan	<u>2,426,742</u>	<u>2,572,124</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

The bank loan was adopted as part of the separation of the School from Downside Abbey General Trust and has a term of five years from the separation date. The bank loan is secured against the main School site which is leased from Downside Abbey General Trust for a period of 125 years.

The ageing of the bank loan falls to be repaid as follows:

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Due within one year	145,382	140,279
Due within one to two years	151,686	94,928
Due within two to five years	<u>2,275,056</u>	<u>2,477,196</u>
	<u>2,572,124</u>	<u>2,712,403</u>

17 Acquisitions

On the 11 September 2019, Downside School acquired the School trading business of Downside Abbey General Trust for no cash consideration.

This transaction has been accounted for by the acquisition method of accounting as applied to a Public Benefit Entity Combination.

In accordance with FRS 102, assets have been brought in at fair value.

The assets and liabilities acquired were:

Downside School

Notes to the Financial Statements for the Year Ended 31 January 2021

	£'000
Fixed assets	2,049
Investments	215
Stock	28
Debtors	57
Donation from the Trust	2,180
Creditors	(1,626)
Treasury loan	(2,712)
	<u>191</u>

18 Obligations under leases and hire purchase contracts

The annual commitments under non-cancellable operating leases were:

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Land and buildings		
Within one year	406,768	425,000
Between one and five years	1,405,683	1,700,000
After five years	<u>50,291,664</u>	<u>51,000,000</u>
	<u>52,104,115</u>	<u>53,125,000</u>
Fixtures and fittings		
Within one year	54,923	11,607
Between one and five years	<u>31,916</u>	<u>34,821</u>
	<u>86,839</u>	<u>46,428</u>

Notes to the Financial Statements for the Year Ended 31 January 2021

	Balance at 1 February 2020 £	Incoming resources £	Resources expended £	Gain on investment £	Balance at 31 August 2021 £
Unrestricted funds					
Unrestricted funds	(451,999)	8,866,119	(9,058,046)	(20,437)	(664,363)

	Incoming resources £	Resources expended £	Gain on investments £	Balance at 31 January 2020 £
Unrestricted funds				
Unrestricted funds	3,656,167	(4,137,027)	28,861	(451,999)

	Unrestricted funds £	Total funds 2021 £
Tangible fixed assets	1,664,178	1,664,178
Fixed asset investments	223,896	223,896
Net current assets	(125,695)	(125,695)
Creditors over 1 year	<u>(2,426,742)</u>	<u>(2,426,742)</u>
Total net liabilities	(664,363)	(664,363)

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Notes to the Financial Statements for the Year Ended 31 January 2021

	Unrestricted funds £	Total funds 2020 £
Tangible fixed assets	1,914,541	1,914,541
Fixed asset investments	244,333	244,333
Net current assets	(38,749)	(38,749)
Creditors over 1 year	<u>(2,572,124)</u>	<u>(2,572,124)</u>
Total net liabilities	<u>(451,999)</u>	<u>(451,999)</u>

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

During the year ended 31 January 2021, transactions totalling £1,114,531 (2020 - £980,946) were paid to Downside Abbey General Trust where Very Rev Dom Nicholas P Wetz is a Trustee and controller of the Trust. The charges relate to services provided to the School and were charged at market value.

As at the balance sheet date the amount due to the School from Downside Abbey General Trust was £Nil (2020 - £1,565,741). Further analysis of the acquisition from Downside Abbey General Trust is included within Note 17.

The School paid a total of £8,273 (2020 - £10,251) in Governors' expenses.

22 Pension and other schemes

The School has participated in the following pension schemes:

- a) The Teacher's Pension Scheme (defined benefit); and
- b) Defined contribution pension schemes, the assets of which are held separately from those of the School in independently administered funds.

The total pension cost charge represents contributions payable by the School to these schemes as follows:

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Notes to the Financial Statements for the Year Ended 31 January 2021

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Defined benefit scheme	524,874	254,122
Defined contribution schemes	<u>120,853</u>	<u>37,508</u>
	<u>645,727</u>	<u>291,630</u>

The following amounts had not been paid to the schemes at the year-end:

	31 January 2021 £	4 January 2019 to 31 January 2020 £
Defined benefit scheme	-	70,230
Defined contribution schemes	<u>64,192</u>	<u>14,229</u>
	<u>64,192</u>	<u>84,459</u>

The School withdrew from the Teachers' Pension Scheme ("the TPS") on the 31 December 2020. The pension charge for the year includes contributions payable to the TPS for the year ended 31 January 2021 of £524,874 (2020 - £254,122) and at the year-end, £Nil (2020 - £70,230) was accrued in respect of contributions to the scheme.

The TPS is an unfunded multi-employer defined benefit scheme governed by the Teachers' Pension Regulations 2011- (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.

All pension charges are charged to unrestricted funds, in line with the fund from which wages and salaries are paid.

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Notes to the Financial Statements for the Year Ended 31 January 2021

23 Contingent assets

As part of the formal separation, Downside Abbey General Trust had agreed to contribute funds towards maintenance works to be carried out on the School estate. These works were capped at £4million, with payments receivable as works were carried out. However, in order to support the School as it recovers from the COVID pandemic and seeks to reestablish profitability and positive cash flow, Downside Abbey General Trust has formerly agreed to repurpose this contribution in the form of actual donations of £1million, reduced rent of premises of £425,000 and an undertaking to repay the bank borrowings that are outstanding by August 2024, currently £2.4million. The balance up to £4m is to be discussed further with the intention of it being used to support the school.

24 Financial instruments

Financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are valued at fair value. Financial assets held at amortised cost comprise of cash at bank and in hand, together with trade and other debtors and fee debtors. A specific provision is made for debts where recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital.

Financial liabilities held at amortised cost comprise of all creditors except social security and other taxes and provisions.

Financial assets held at amortised costs total £5,315,752 (2020 - £6,049,181) and held at fair value total £223,896 (2020 - £244,333).

Financial liabilities held at amortised costs total £6,204,011 (2020 - £6,475,513).