

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 August 2023

Downside School

Contents

Reference and Administrative Details	1 to 2
Governors' Report	3 to 14
Structure, governance and management	3
Objects, aims, objectives and activities	6
Academic and pastoral review for the year	10
Financial review and results for the year	12
Plans for future periods	14
Statement of Governors' Responsibilities	15
Independent Auditors' Report	16 to 21
Statement of Financial Activities	22 to 23
Balance Sheet	24 to 25
Statement of Cash Flows	26 to 27
Notes to the Financial Statements	28 to 45

Downside School

Reference and Administrative Details

Governors (also members)

J M Ludlow (Chair from 30 January 2023) \$#+

M F T Bernard (Chair from 29 April 2022) \$# (resigned
30 January 2023)

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 #

R J G Jenkins \$

A Barrett # (appointed 1 February 2023)

A Lynch # (appointed 3 September 2022 and resigned
20 August 2023)

D Hall \$ (appointed 2 January 2024)

\$ 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

Head	A Hobbs
Clerk to the Governors	V Locke
Charity Registration Number	1184700
Company Registration Number	11751009
Registered Office	Stratton-on-the-Fosse Radstock Somerset BA3 4RJ
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, present their annual report and the audited financial statements for the year ended 31 August 2023.

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 (DAGT), which owned and ran the School, on 11 September 2019. The School maintains a close relationship with DAGT, with which it shares part of the site and some facilities and resources. The legal governance arrangements between the School and DAGT include appropriate and robust provisions for pupil safeguarding.

The Company is limited by guarantee, with registered number 11751009. The School is also a Charity, registered number 1184700. The Governors, executive officers, professional advisers and principal address of the School are listed on page 1.

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.

Recruitment and appointment of Governors

The Board of Governors includes the Abbot of Downside Abbey ex officio (or an individual appointed by him) and one Governor appointed by the Bishop of the Roman Catholic diocese in which any school operated by the Charity is located, plus 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 workings 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. All Governors are required to undertake mandatory Safeguarding training, and they are sent regular guidance notes and information from the Association of Governing Bodies in Schools (AGBIS) via the Clerk to the Governors.

Downside School

Governors' Report

Senior personnel are recruited on the basis of national advertisement and selection by Governors and other senior personnel. The Governors' General Finance Committee considers the remuneration of senior personnel where appropriate at their summer term meeting. Consideration is given to benchmarking information, including the AGBIS Survey of Heads' and Bursars' Remuneration, as well as performance and experience in the role.

Organisational structure

The Governors are legally responsible for the overall management and control of the School and meet, either in person or virtually, at least three times a year.

In addition to the meetings of the full governing body there are three sub-committees, each of which meets termly in advance of the respective plenary meeting. The sub-committees are as follows:

- Education Committee, chaired by Catherine Hughes;
- General Finance Committee (GFC), chaired by Alison Martin;
- Estates and Operations Committee (EOC), chaired by Charles Griffin.

The members of each sub-committee are listed on page 1. In addition, there are nominated Governors with specific responsibilities, including:

- Safeguarding (Terri Wilcox);
- Health & Safety (John Ludlow)

The day-to-day running of the School is delegated to the Head, supported by the 'Core Group', which comprises the Deputy Head, Bursar, and Director of Human Resources. The Head attends all governors' meetings; the Bursar attends all governors' meetings except the Education Committee; other members of the Core Group, Senior Leadership Team, and wider staff body attend relevant meetings as required.

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 period Governors' and Officers' liability insurance in respect of itself and its Governors.

Downside School

Governors' Report

Principle risks and their management

The Governors are responsible for the management of the risks faced by the Charity. Detailed consideration of these risks is delegated to the General Finance Committee, which is attended by the Head, Deputy Head and Bursar.

The key controls used by the Charity to ensure that risks are properly identified and managed are:

- Formal agendas for all Committee and Plenary meetings;
- Detailed terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies and procedures;
- Clear financial processes, authorisation and approval levels; and
- Vetting procedures as required by law.

The principal risks identified to which the School is exposed are:

- The imposition of VAT on fees, which may impact negatively on pupil numbers;
- Loss of Mandatory Business Rates Relief, resulting in an increase in costs;
- Inability to invest adequately in the School's fabric and facilities, in order to increase and maintain pupil numbers;
- Wider economic and political uncertainty;
- The effects of climate change and the cost of taking remedial action.

We are mitigating these risks by:

- Optimisation of the School's financial management to minimise the impact of any imposition of VAT on school fees, through maximisation of allowable offsetting capital and operating expenditure subject to VAT;
- Effective cost control, offsetting also any abolition of Business Rate Relief, with the objective of keeping fees as low and competitive as possible without compromising the quality of education and pastoral care provided to our pupils;
- Action to grow and maintain pupil numbers through improving our offer to pupils and prospective pupils, in particular by providing new Sixth Form facilities and refurbishing boarding accommodation, as well as by enhanced proactive marketing of the School;

Downside School

Governors' Report

Through the processes identified above, the Governors are satisfied that major risks are identified and appropriately mitigated where possible.

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

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 Downside Abbey General Trust.

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.

Our mission is to provide a secure, happy and inclusive environment where children develop the inner confidence and self-esteem necessary to flourish in our rapidly changing world. Whilst we protect and nurture our children, we also challenge and extend them in order to build their ability to thrive as adults in the future.

We strive to ensure that individuals' minds are broadened, and perspectives widened. We encourage learning, independence of thought and the cultivation of self-belief, skills, wisdom and curiosity.

We prepare our pupils to live life to the full, encouraging them to act responsibly and thoughtfully and to embrace, with energy and enthusiasm, the great opportunities that lie ahead. It is our sincere desire that each child will use their compassion, knowledge, passions and energies to make the world a better place – and believe they can do so. Every child has an inherent value, which is exceptional and exclusive to them.

Downside School

Governors' Report

Public benefit aims and intended impact

The Trustees confirm that they have complied with their duty under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

The School makes generous provision for children from families who would not otherwise be able to afford our fees to benefit from the excellent education that we offer. During the year £2,624,705 (2022: £2,717,046) was given in scholarships, bursaries and other fee assistance. This amounts to 22.3% of gross fees (2022: 24%).

A total of 21 pupils received means-tested bursaries of 85% or more, with 6 pupils receiving 100%, 7 on 95% and 4 on 90% fee remission (with the school additionally providing support to several of these families with the purchase of uniforms, school trips, travel and other items to enable full participation in the life of the School). Such awards are truly transformational for the pupils, their families and the wider community.

As an educational provider, we actively support and promote the attainment of high standards in academic achievement, curriculum development and pastoral care. We nurture and encourage our pupils to realise their potential as contributors to society, developing character, moral courage, integrity and service to others. In sport we foster high standards, both in performance and sportsmanship. In performing arts and across a wide range of extra-curricular activities, we give children an appreciation of the 'poetry of life' and a sense of its beauty, form, mystery and joy.

Since September 2022 the School has developed and run a full calendar of events to welcome pupils from local schools, giving them access to our extensive facilities and specialist teachers, and providing an opportunity for Downside pupils to support the younger children in their learning. Over the past 2 years we have welcomed over 1,000 pupils from Oakhill, St Vigor & St John, Kilmersdon, St Benedict's, St Julian's, Moorlands, Croscombe, Stoke St Michael, Farrington Gurney, Our Lady of Lourdes, St Patrick's, St Augustine's, St Mary's Chippenham and Chewton Mendip Primary Schools.

This Community Engagement programme to date has seen 24 days of activities including:

- Forensic Detectives (pupils collect, survey & catalogue evidence from a 'crime scene');
- Art & Design Technology (creating pieces of art using different techniques including book binding and printmaking as well as creating the 'Tower of Downside' puzzle using resistant material in the Design Workshop);
- Choral workshops (learning different songs and giving a performance in the Abbey Church);

Downside School

Governors' Report

- Languages (introduction to modern languages involving quizzes, treasure hunts and Christmas cards);
- Musical Theatre (learning a song, dance routine and improvisation on our theatre stage);
- Debating (researching characters using the library and taking part in a balloon debate);
- Outdoor Adventure (bushcraft, teambuilding, archery and basic Combined Cadet Force (CCF) skills); and
- Sports Masterclass (introduction to hockey, rugby and netball).

The days are led by specialist staff who have volunteered their time and include free transportation to and from the school, and lunch, snacks and refreshments. Each event also includes a guided tour of the Abbey Church by our Chaplain, with a brief history of the church and its architecture.

The School also 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. During the year we hosted a Camino Choral Day in which 110 pupils from 5 schools participated.

Pupils participate in a number of community service activities, including a weekly soup run in Bath with Help for Homeless, which involves handing out hot food, sanitary products and clothing. They also take part in an annual overnight sleepout to raise awareness and funds for the charity.

Within our local village of Stratton-on-the-Fosse, pupils undertake litter picking and have been involved in restoring the play equipment area. The School also raises funds in support of Mary's Meals and CAFOD. In addition, each House chooses its own local, national or international charity for further fundraising activities.

In January 2023, Downside Choral Society (DCS) was established to welcome singers from the local area to come together as a community choir. Its first concert was Mozart's Requiem in the Abbey Church on 30 March 2023, followed by a performance of Haydn's Creation on 22 March 2024.

Wider benefits to the economy

The Independent Schools Council (ISC) and Oxford Economics provide a tool for schools to assess their impact on the national and local economy. The calculations for Downside School for the year are:

- Contribution to UK GDP: £12.7 million;
- Of which, contribution to Mendip local authority GDP: £8.0 million;

Downside School

Governors' Report

- Number of UK jobs supported by the school's activities: 303;
- Of which, number of jobs in the Mendip local authority area: 220;
- UK tax supported by the school's activities: £3.6 million;
- Additional savings to the UK taxpayer: £1.6 million.

The additional savings to the UK taxpayer highlighted above are based on the 224 pupils in the school (British or EEA nationals with parents resident in the UK) who would otherwise be entitled to take up a free UK state school place.

Objectives for the year

The Charity's overarching 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 four key principles that guide us in determining our objectives are:

- Our purpose is to awaken and nurture a lifelong commitment to learning and growing (conversatio morum - Rule of St. Benedict);
- We challenge the transactional and utilitarian view of education;
- The relationship between the family and the School is one of dedicated and accountable partners;
- We need specific and measurable results to indicate how well the partnership is working.

These principles are derived from the parable of the talents, which is our model for gauging performance; and the parables of the lost sheep and the prodigal son, which underpin our pastoral care.

In furtherance of these principles our objectives for the year were to:

- continue to build a strong faith-based culture that challenges our pupils to make their unique contribution to society;
- establish a programme of staff retreats to underpin the Catholic and Benedictine culture of the School;
- embed the Relationship and Sex Education (RSE) programme so that respect is at the heart of every relationship in our community;
- work with the wider Downside Community to provide one fully-funded academic scholarship in each year group by 2026;
- strengthen the School's financial controls and reporting to ensure that it is operating as efficiently and effectively as possible.

Downside School

Governors' Report

Academic and pastoral review for the year

Downside is proud to be academically non-selective. Nevertheless the 2023 A-level grades (38 % A*/A and 66% A*-B) and GCSE results (42% 9-7 and 89% 9-4) show that our pupils continued to perform well despite the readjustment back towards 2019 grade boundaries.

Leavers' destinations

All pupils who applied to university through the Universities and Colleges Admissions Service (UCAS) gained a place. Universities included:

- Bath (Aerospace Engineering);
- Cardiff (Engineering; Medicine; Law & Politics; MFL);
- Edinburgh (Linguistics; Veterinary Medicine);
- Exeter (Accounting; Ancient History; and Archaeology);
- Oxford (French & Spanish);
- St Andrew's (Medicine).

Other leavers have gone on to study a wide range of subjects at various institutions, reflecting the breadth of disciplines for which a Downside education prepares an individual. In addition to those mentioned above, subjects include: Agri-Business Management; Comparative Literature; Textile Design; Particle Physics; Astrophysics; Music; Psychology; Sport Management; Architecture; Real Estate; Music and Philosophy; Global Health and Social Science; and International Relations and Politics.

Art

Set in its own buildings, the Art Department is busy and buzzing. Freedom of creativity is the norm: 2-D or 3-D; Textiles or oils; figurative or abstract. 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 use current technologies and consider the impact of future developments. They learn to think creatively and intervene to improve the quality of life, solving problems as individuals and members of a team.

Downside School

Governors' Report

Music and performing arts

Downside is renowned for the quality of its co-curricular music. Outstanding facilities and expert, inspirational tuition ensure that a high number of pupils participate in a vast range of solo and group activities, with everything from singing and the ukulele to the double bass and bagpipes, and from sacred choral music to the jazz and function bands.

Founded over a century ago, Downside's Schola Cantorum is formed of boys and girls from all year groups and is proud to be the oldest Roman Catholic school choir in the United Kingdom. Building on the legacy of its distinguished founder, Sir Richard Runciman Terry, the Schola Cantorum maintains Downside's long tradition of excellence in liturgical music. Its repertoire embraces over 1400 years of composition, from the earliest Gregorian chant, via Renaissance polyphony and Classical Masses, to contemporary works by living composers. The Schola Cantorum provides the choral music for services in the Abbey Church and it gives concerts of large-scale sacred works accompanied by orchestra at various times throughout the year.

Further opportunities for singers include the three Chamber Choirs and a small close-harmony group. They specialise in a cappella performances of sacred and secular repertoire, including the popular May Morning Madrigals from the top of the School's Roberts' Tower. The Chamber Choirs regularly sing at Mass in the Abbey Church and elsewhere, including Wells Cathedral, Oxford and London.

Instrumental musicians also enjoy a wealth of opportunities. Orchestral, band and chamber music all flourish at Downside, with frequent concerts and less formal performances, at the School and elsewhere. Among the annual highlights, the CCF and Pipe Bands lead the annual Remembrance Sunday parade through the streets of Bath city centre. Advanced instrumentalists have the opportunity to perform concertos with the school orchestra, and there are plenty of opportunities for Jazz, Rock and Pop musicians.

CCF

The Combined Cadet Force (the second oldest in the country) is an integral part of the pupil experience at Downside and is an organisation of which the officers and cadets are immensely proud. The CCF does not seek to recruit young people into the forces; rather, it is a youth training group which is supported and funded by the MOD. Within the CCF we strive to bring out the very best qualities in each pupil. Our aim is to encourage resilience; managed risk-taking; pride in the contingent and wider school; service; duty; challenge; and leadership skills. Membership of the CCF is compulsory for all pupils in the Third Form. The focus is very much on fun activities which build confidence and leadership. Pupils who have found the classroom environment challenging have often discovered latent skills and abilities through the CCF.

Downside School

Governors' Report

Sport

Our sporting philosophy is based on a positive mental attitude and exceptional work ethic, and this is expected from all pupils. The foundational values of discipline, humility and stewardship underpin an integral framework of sports coaching that aims to develop young people as strong, resilient leaders of character that can excel in sport, school and life.

Our emphasis on talent development recognises the power of teamwork and the importance of moral and performance character. There is a comprehensive and detailed programme for sports scholars, but our aim is to ensure that every pupil finds a sport or physical activity in which they can participate, excel and learn the values of being part of a team.

The main sports played are Rugby, Hockey, Cricket, Tennis and Athletics. As pupils progress through the School they are also offered opportunities to play Badminton, Basketball, Cross Country, Football, Golf, Rugby 7's, Swimming & Table Tennis, with regular fixtures throughout the year for all age groups.

Financial review and results for the year

The Charity achieved a surplus for the year of £33,260 (2022: deficit £578,155).

Bank loan

On separation from DAGT in September 2019 the School took over responsibility for an existing bank loan originally advanced to DAGT (see note 16). As at 31 August 2023 the balance of the loan stood at £2,421,342. DAGT however undertook to repay the loan in full and did so on 26 March 2024.

This material improvement in the Schools financial position will be fully reflected in the 2024 results, but in the meantime, it is pleasing to be able to report the School as being free from external borrowings.

Reserves policy

As at 31 August 2023 the Balance Sheet showed net liabilities of £2,418,565 (2022: net liabilities £2,451,825). However, as noted above, with the bank loan repaid in full after the year-end, this would have resulted in net assets of £2,777 on an adjusted basis.

The School has no free reserves. This is typical of many independent schools due to the need for continuing expenditure from retained reserves to support our charitable objects. The School's policy over time is to build up resources by means of annual operating surpluses, balanced against the need to continue investing in its facilities and infrastructure.

Downside School

Governors' Report

Investment policy

The School has a beneficial interest in shares in Telecom Plus PLC to the value of £95,400 as at 31 August 2023 (2022: £117,000). These are held in the name of DAGT and stated as transferred to the School under the terms of the Separation Agreement.

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.

As has been noted in the financial review on page 12, with the repayment of the outstanding loan by DAGT, the School's Balance Sheet returned to a positive net assets position subsequent to the year-end. A cash surplus is forecast for 2024 and improved historic fee debt collection and cost control, combined with an increase in enquiries, visits and pupil registrations, give positive indications for the future.

The School continues to face challenges as there is a small projected deficit for 2025 and points where cashflow issues have been identified. The forecasts for 2025 indicate that there is shortfalls in the availability of cash.

To mitigate this the School has taken steps to increase pupil recruitment and retention, including refurbishing an existing building to provide a new sixth form centre to help retain more pupils post-GCSE and attract local day pupils. The work will be completed by September 2024 using capital investment funds allocated under the School's catering contract. The effects of these measures are already being seen, both in a reduced number of leavers and higher number of enquiries and registrations. The School is also considering its financing options in order to protect against any projected shortfalls.

Furthermore, Governors are mindful of the Labour Party's stated policy to introduce VAT on school fees, and to abolish the 80% Mandatory Business Rates Relief. Depending on how the former may apply, it could have a detrimental effect on parents' ability to pay fees, and hence pupil numbers and income. The latter will add significantly to the School's expenditure. As a result of all the factors above, a material uncertainty exists that may cast doubt on the School's ability to continue as a going concern.

Having considered all of the above, Governors consider that it is appropriate that the accounts are prepared on a going concern basis.

Downside School

Governors' Report

Plans for future periods

Aims and key objectives for future periods

There are no plans to alter the Charity's Objects or strategic aims.

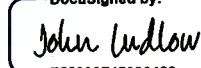
In order for the School to remain financially secure, and to provide funds to invest in its buildings and infrastructure, the Governors' objective and the School's strategy is to progressively grow pupil numbers over time. Accordingly, they have allocated resources to the marketing and admissions functions to increase activity.

Regarding the ownership and wider use of parts of the Downside Estate, there is much potential for future development with potential for investment from suitable third parties.

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 30 May 2024 and signed on its behalf by:

DocuSigned by:

.....F55292F46906422.....

J M Ludlow
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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

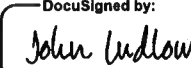
Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company 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 Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 proper accounting records that can 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.

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

Approved by the Governors of the charity on 30 May 2024 and signed on its behalf by:

DocuSigned by:

.....F55292F46006422.....

J M Ludlow
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 August 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including Financial Reporting Standard 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 charity's affairs as at 31 August 2023 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 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.

Downside School

Independent Auditor's Report to the Members of Downside School

Conclusions relating to going concern

We draw attention to the disclosures made in note 1 to the financial statements concerning the School's ability to continue as a going concern. The School continues to face challenges, including managing its cash flows and maintaining pupil numbers. The School's performance and cash position continue to be closely monitored and management continually consider cost saving measures along with maintaining a robust fee debtor collection process in order to ensure the School can continue to meet its obligations as they fall due. These conditions, along with other matters explained in note 1 to the financial statements indicate the existence of a material uncertainty over the School's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Other information

The Governors are responsible for the other information contained within the annual report. 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.

Downside School

Independent Auditor's Report to the Members of Downside School

Opinion on other matter 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 Governors' report, which includes the Governors' 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 Governors' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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
- 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.

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities (set out on page 15), the Governors (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 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 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Downside School

Independent Auditor's Report to the Members of Downside School

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:

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 obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the school's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Downside School

Independent Auditor's Report to the Members of Downside School

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within fee scholarships, bursaries and discounts and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing fee scholarships, bursaries and discounts, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and the Independent Schools Inspectorate, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

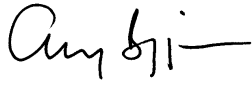
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 charitable company'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 the charitable company's 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



.....
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: 30 May 2024

Downside School

Statement of Financial Activities for the Year Ended 31 August 2023
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted funds £	Restricted funds £	Total 31 August 2023 £
	Note			
Income and Endowments from:				
Donations and legacies	3	993,325	277,180	1,270,505
Charitable activities	2	9,635,711	-	9,635,711
Other trading activities	5	149,881	-	149,881
Investment income		4,596	-	4,596
Other income	6	<u>477,652</u>	<u>-</u>	<u>477,652</u>
Total income		<u>11,261,165</u>	<u>277,180</u>	<u>11,538,345</u>
Expenditure on:				
Raising funds		(328,571)	-	(328,571)
Charitable activities	7	<u>(11,153,614)</u>	<u>(1,300)</u>	<u>(11,154,914)</u>
Total expenditure		<u>(11,482,185)</u>	<u>(1,300)</u>	<u>(11,483,485)</u>
Gains/losses on investment assets		<u>(21,600)</u>	<u>-</u>	<u>(21,600)</u>
Net (expenditure)/income		(242,620)	275,880	33,260
Transfers between funds		<u>265,634</u>	<u>(265,634)</u>	<u>-</u>
Net movement in funds		23,014	10,246	33,260
Reconciliation of funds				
Total funds brought forward		<u>(2,578,450)</u>	<u>126,625</u>	<u>(2,451,825)</u>
Total funds carried forward	18	<u>(2,555,436)</u>	<u>136,871</u>	<u>(2,418,565)</u>

The notes on pages 28 to 45 form an integral part of these financial statements.

Downside School

Statement of Financial Activities for the Year Ended 31 August 2023
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted funds £	Restricted funds £	Total 31 August 2022 £
	Note			
Income and Endowments from:				
Donations and legacies	3	662,368	126,625	788,993
Charitable activities	2	8,760,448	-	8,760,448
Other trading activities	5	139,043	-	139,043
Investment income		5,131	-	5,131
Other income	6	403,335	-	403,335
Total income		<u>9,970,325</u>	<u>126,625</u>	<u>10,096,950</u>
Expenditure on:				
Raising funds		(392,756)	-	(392,756)
Charitable activities	7	<u>(10,337,549)</u>	<u>-</u>	<u>(10,337,549)</u>
Total expenditure		<u>(10,730,305)</u>	<u>-</u>	<u>(10,730,305)</u>
Gains/losses on investment assets		55,200	-	55,200
Net (expenditure)/income		<u>(704,780)</u>	<u>126,625</u>	<u>(578,155)</u>
Net movement in funds		(704,780)	126,625	(578,155)
Reconciliation of funds				
Total funds brought forward		<u>(1,873,670)</u>	<u>-</u>	<u>(1,873,670)</u>
Total funds carried forward	18	<u><u>(2,578,450)</u></u>	<u><u>126,625</u></u>	<u><u>(2,451,825)</u></u>

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

The notes on pages 28 to 45 form an integral part of these financial statements.

Downside School**(Registration number: 11751009)
Balance Sheet as at 31 August 2023**


	Note	31 August 2023 £	31 August 2022 £
Fixed assets			
Tangible assets	11	2,236,843	2,111,430
Investments	12	<u>95,400</u>	<u>117,000</u>
		<u>2,332,243</u>	<u>2,228,430</u>
Current assets			
Stocks	13	124,316	125,456
Debtors	14	2,430,088	919,327
Cash at bank and in hand		<u>966,277</u>	<u>1,027,449</u>
		3,520,681	2,072,232
Creditors: Amounts falling due within one year	15	<u>(8,271,489)</u>	<u>(4,485,662)</u>
Net current liabilities		<u>(4,750,808)</u>	<u>(2,413,430)</u>
Total assets less current liabilities		(2,418,565)	(185,000)
Creditors: Amounts falling due after more than one year	16	<u>-</u>	<u>(2,266,825)</u>
Net liabilities		<u>(2,418,565)</u>	<u>(2,451,825)</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		136,871	126,625
Unrestricted income funds			
Unrestricted funds		<u>(2,555,436)</u>	<u>(2,578,450)</u>
Total funds		<u>(2,418,565)</u>	<u>(2,451,825)</u>

The notes on pages 28 to 45 form an integral part of these financial statements.

Downside School

(Registration number: 11751009)
Balance Sheet as at 31 August 2023

The financial statements on pages 22 to 45 were approved by the Governors, and authorised for issue on 30 May 2024 and signed on their behalf by:

DocuSigned by:

.....F55292P45996422.....
J M Ludlow
Governor

The notes on pages 28 to 45 form an integral part of these financial statements.

Downside School

Statement of Cash Flows for the Year Ended 31 August 2023

	Note	31 August 2023 £	31 August 2022 £
Cash flows from operating activities			
Net cash income/(expenditure)		33,260	(578,155)
Adjustments to cash flows from non-cash items			
Depreciation		326,442	359,265
Revaluation of investments		<u>21,600</u>	<u>(55,200)</u>
		381,302	(274,090)
Working capital adjustments			
Decrease/(increase) in stocks	13	1,140	(8,412)
Increase in debtors	14	(1,510,761)	(5,844)
Increase in creditors	15	277,778	430,251
Increase in deferred income	16	<u>1,241,224</u>	<u>411,807</u>
Net cash flows from operating activities		<u>390,683</u>	<u>553,712</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(452,807)	(610,409)
Sale of tangible fixed assets		952	-
Sale of investments		<u>-</u>	<u>165,613</u>
Net cash flows from investing activities		<u>(451,855)</u>	<u>(444,796)</u>
Cash flows from financing activities			
Value of new loans obtained during the period		-	500,000
Repayment of loans and borrowings	15	<u>-</u>	<u>(578,380)</u>
Net cash flows from financing activities		<u>-</u>	<u>(78,380)</u>
Net (decrease)/increase in cash and cash equivalents		(61,172)	30,536
Cash and cash equivalents at 1 September 2022		<u>1,027,449</u>	<u>996,913</u>
Cash and cash equivalents at 31 August 2023		<u>966,277</u>	<u>1,027,449</u>

The notes on pages 28 to 45 form an integral part of these financial statements.

Downside School**Statement of Cash Flows for the Year Ended 31 August 2023**

	31 August 2023 £	31 August 2022 £
Reconciliation of net cash flow to movement in net funds		
(Decrease)/increase in cash	(61,172)	30,536
Cash outflow from repayment of loans	<u>-</u>	<u>(78,380)</u>
Change in net debt resulting from cash flows	(61,172)	(47,844)
Net funds at 1 September 2022 (2021)	<u>1,027,449</u>	<u>996,913</u>
Net funds at 31 August 2023 (2022)	<u><u>966,277</u></u>	<u><u>949,069</u></u>

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

The notes on pages 28 to 45 form an integral part of these financial statements.

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

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.

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.

As has been noted in the financial review on page 12, with the repayment of the outstanding loan by DAGT, the School's Balance Sheet returned to a positive net assets position subsequent to the year-end. A cash surplus is forecast for 2024 and improved historic fee debt collection and cost control, combined with an increase in enquiries, visits and pupil registrations, give positive indications for the future.

The School continues to face challenges as there is a small projected deficit for 2025 and points where cashflow issues have been identified. The forecasts for 2025 indicate that there is shortfalls in the availability of cash.

Furthermore, Governors are mindful of the Labour Party's stated policy to introduce VAT on school fees, and to abolish the 80% Mandatory Business Rates Relief. Depending on how the former may apply, it could have a detrimental effect on parents' ability to pay fees, and hence pupil numbers and income. The latter will add significantly to the School's expenditure. As a result of all the factors above, a material uncertainty exists that may cast doubt on the School's ability to continue as a going concern.

Having considered all of the above, and the mitigating steps that the School is taking, the Governors consider that it is appropriate that the accounts are prepared on a going concern basis.

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

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.

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 August 2023

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 in to 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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The freehold land and buildings of the School were revalued in 1980. The governors are of the opinion that the current open market value on an existing use basis is in excess of book value.

The School has taken advantage of the transitional arrangements of FRS 102 - Section 17 Property, Plant and Equipment not to update its valuation of land and buildings.

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

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.

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

Prior to 31 December 2020, 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. That 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 has been accounted for as a defined contribution scheme.

The School 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.

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

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.

Critical accounting judgements and estimation uncertainty

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

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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

2 Income from charitable activities

	Unrestricted funds £	31 August 2023 £	31 August 2022 £
Fee income	<u>9,635,711</u>	<u>9,635,711</u>	<u>8,760,448</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

Fee income comprises of the following:

	31 August 2023 £	31 August 2022 £
Gross fees	11,787,849	11,281,388
Less: total scholarships, bursaries and fee assistance	(2,624,705)	(2,717,046)
Other fee income	452,836	177,452
Registration fees	19,731	18,654
	<u>9,635,711</u>	<u>8,760,448</u>

3 Donations and legacies

	Unrestricted funds £	Restricted £	31 August 2023 £	31 August 2022 £
Donations and gifts	993,325	277,180	1,270,505	788,993
	<u>993,325</u>	<u>277,180</u>	<u>1,270,505</u>	<u>788,993</u>

4 Net expenditure

The net expenditure for the period is stated after charging:

	31 August 2023 £	31 August 2022 £
Depreciation	326,442	359,265
Auditors remuneration	42,175	18,870
Loan interest	166,593	85,684
Bank charges	20,676	17,165
Bad debt provision	190,059	57,001
	<u>745,945</u>	<u>537,985</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

5 Income from other trading activities

	Unrestricted funds £	31 August 2023 £	31 August 2022 £
Trading income;			
School shop	102,075	102,075	96,935
Pitch and nets hire	2,873	2,873	1,175
Events income;			
Shows and events	1,740	1,740	160
Other commercial income	40,321	40,321	-
Recharges to Downside Abbey General Trust	2,872	2,872	40,773
	<u>149,881</u>	<u>149,881</u>	<u>139,043</u>

6 Other income

	Unrestricted funds £	31 August 2023 £	31 August 2022 £
Cafe takings	22,537	22,537	19,344
Rental income	389,396	389,396	383,991
Other income	2,884	2,884	-
Sundry income	62,247	62,247	-
Interest on overdue accounts	588	588	-
	<u>477,652</u>	<u>477,652</u>	<u>403,335</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

7 Expenditure on charitable activities

	Teaching	Welfare	Premises	Support	Total 31 August 2023	Total 31 August 2022
Staff costs	4,014,944	904,693	428,554	1,211,394	6,559,585	6,103,505
Expenditure on raising funds	-	-	-	314,082	314,082	392,756
Depreciation and impairment	-	-	315,713	-	315,713	355,027
Other costs	656,352	1,349,350	1,114,280	1,062,417	4,182,399	3,737,922
Governance costs	-	-	-	111,706	111,706	141,095
	<u>4,671,296</u>	<u>2,254,043</u>	<u>1,858,547</u>	<u>2,699,599</u>	<u>11,483,485</u>	<u>10,730,305</u>
Analysis by fund						
Unrestricted funds	<u>4,671,296</u>	<u>2,254,043</u>	<u>1,858,547</u>	<u>2,699,599</u>	<u>11,483,485</u>	<u>-</u>
31 August 2022						
Unrestricted funds	<u>4,388,913</u>	<u>2,016,499</u>	<u>2,006,928</u>	<u>2,317,965</u>	<u>-</u>	<u>10,730,305</u>

8 Analysis of governance and support costs

Governance costs

	Unrestricted funds £	31 August 2023 £	31 August 2022 £
Audit fees			
Audit of the financial statements	42,175	42,175	18,870
Legal and professional fees	67,481	67,481	119,578
Governors expenses	<u>2,050</u>	<u>2,050</u>	<u>2,646</u>
	<u>111,706</u>	<u>111,706</u>	<u>141,094</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

9 Staff costs

The aggregate payroll costs were as follows:

	31 August 2023 £	31 August 2022 £
Staff costs during the year were:		
Wages and salaries	5,362,250	5,011,405
Social security costs	502,004	464,854
Pension costs	563,223	522,749
Other staff costs	132,108	104,497
	<u>6,559,585</u>	<u>6,103,505</u>

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

	31 August 2023 No	31 August 2022 No
Teaching	67	70
Other	128	127
	<u>195</u>	<u>197</u>

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 £519,578 (2022 - £552,953).

The Governors received no remuneration. Governors were reimbursed travel and training expenses totalling £2,050 (2022 - £2,646).

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

	31 August 2023 No	31 August 2022 No
£60,001 - £70,000 per annum	7	2
£70,001 - £80,000 per annum	1	1
£130,001 - £140,000	<u>1</u>	<u>1</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

The pension contributions included within the above bands amounts to £93,998 (2022 - £58,936).

During the year termination payments were made totalling £14,700 (2022 - £5,630).

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.

11 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2022	421,023	2,765,780	4,000	3,190,803
Additions	8,378	444,429	-	452,807
Disposals	-	(4,070)	-	(4,070)
At 31 August 2023	<u>429,401</u>	<u>3,206,139</u>	<u>4,000</u>	<u>3,639,540</u>
Depreciation				
At 1 September 2022	4,513	1,072,793	2,067	1,079,373
Charge for the year	3,506	322,136	800	326,442
Eliminated on disposals	-	(3,118)	-	(3,118)
At 31 August 2023	<u>8,019</u>	<u>1,391,811</u>	<u>2,867</u>	<u>1,402,697</u>
Net book value				
At 31 August 2023	<u>421,382</u>	<u>1,814,328</u>	<u>1,133</u>	<u>2,236,843</u>
At 31 August 2022	<u>416,510</u>	<u>1,692,987</u>	<u>1,933</u>	<u>2,111,430</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

12 Fixed asset investments

	31 August 2023	31 August 2022
	£	£
Other investments	<u>95,400</u>	<u>117,000</u>

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 September 2022	117,000	117,000
Revaluation	<u>(21,600)</u>	<u>(21,600)</u>
At 31 August 2023	<u>95,400</u>	<u>95,400</u>
Net book value		
At 31 August 2023	<u>95,400</u>	<u>95,400</u>
At 31 August 2022	<u>117,000</u>	<u>117,000</u>

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

13 Stock

	31 August 2023	31 August 2022
	£	£
School shop	<u>124,316</u>	<u>125,456</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

14 Debtors

	31 August 2023	31 August 2022
	£	£
Trade debtors	1,741,808	367,616
Prepayments and accrued income	414,777	391,649
Other debtors	273,503	160,062
	<u>2,430,088</u>	<u>919,327</u>

Trade debtors above are stated net of bad debt provisions totalling £302,419 (2022 - £181,928)

15 Creditors: amounts falling due within one year

	31 August 2023	31 August 2022
	£	£
Bank borrowings	2,421,342	154,517
Trade creditors	428,456	352,500
Other taxation and social security	256,333	221,139
Other creditors	1,659,274	1,320,588
Accruals	325,338	497,396
Fees in advance	3,057,789	1,657,701
Advance fees scheme	122,957	281,821
	<u>8,271,489</u>	<u>4,485,662</u>

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

	31 August 2023	31 August 2022
	£	£
Within 1 to 2 years	101,698	129,073
Within 2 to 5 years	21,259	152,748
	<u>122,957</u>	<u>281,821</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

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

	31 August 2023 £	31 August 2022 £
Balance brought forward	281,821	187,119
New contracts	-	190,192
Amounts utilised	<u>(158,864)</u>	<u>(95,490)</u>
	<u>122,957</u>	<u>281,821</u>

16 Creditors: amounts falling due after one year

	31 August 2023 £	31 August 2022 £
Bank loan	<u>-</u>	<u>2,266,825</u>

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 August 2023 £	31 August 2022 £
Due within one year	2,421,342	154,517
Due within one to two years	<u>-</u>	<u>2,266,825</u>
	<u>2,421,342</u>	<u>2,421,342</u>

Downside Abbey General Trust have repaid the loan in full in March 2024 hence why the entire loan is shown due within one year.

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

17 Obligations under leases and hire purchase contracts

The annual commitments under non-cancellable operating leases were:

	31 August 2023 £	31 August 2022 £
Land and buildings		
Within one year	416,566	273,940
Between one and five years	1,700,000	1,629,167
After five years	<u>49,299,998</u>	<u>49,158,331</u>
	<u><u>51,416,564</u></u>	<u><u>51,061,438</u></u>
Fixtures and fittings		
Within one year	41,579	33,941
Between one and five years	<u>50,472</u>	<u>28,661</u>
	<u><u>92,051</u></u>	<u><u>62,602</u></u>

Operating leases for land and buildings principally relate to the long term lease granted by Downside Abbey General Trust for the School premises.

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

18 Funds

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2023 £
Unrestricted funds					
<i>Unrestricted funds</i>					
Unrestricted funds	(2,578,450)	11,261,165	(11,503,785)	265,634	(2,555,436)
Restricted funds					
Sill Organ Scholarship	126,625	-	-	-	126,625
Piano Fund	-	265,702	-	(265,634)	68
Rose Enrichment Fund	-	11,478	(1,300)	-	10,178
Total restricted funds	<u>126,625</u>	<u>277,180</u>	<u>(1,300)</u>	<u>(265,634)</u>	<u>136,871</u>
Total funds	<u>(2,451,825)</u>	<u>11,538,345</u>	<u>(11,505,085)</u>	<u>-</u>	<u>(2,418,565)</u>
	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2022 £
Unrestricted funds					
<i>Unrestricted funds</i>					
Unrestricted funds	(1,873,670)	9,970,325	(10,730,305)	55,200	(2,578,450)
Restricted					
Sill Organ Scholarship	-	126,625	-	-	126,625
Total funds	<u>(1,873,670)</u>	<u>10,096,950</u>	<u>(10,730,305)</u>	<u>55,200</u>	<u>(2,451,825)</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

19 Analysis of net liabilities between funds

	Unrestricted funds £	Restricted funds £	Total funds 31 August 2023 £
Tangible fixed assets	2,236,843	-	2,236,843
Fixed asset investments	95,400	-	95,400
Net current assets	<u>(4,887,679)</u>	<u>136,871</u>	<u>(4,750,808)</u>
Total net liabilities	<u>(2,555,436)</u>	<u>136,871</u>	<u>(2,418,565)</u>

	Unrestricted funds £	Restricted funds £	Total funds 31 August 2022 £
Tangible fixed assets	2,111,430	-	2,111,430
Fixed asset investments	117,000	-	117,000
Net current assets	<u>(2,540,055)</u>	<u>126,625</u>	<u>(2,413,430)</u>
Creditors over 1 year	<u>(2,266,825)</u>	<u>-</u>	<u>(2,266,825)</u>
Total net liabilities	<u>(2,578,450)</u>	<u>126,625</u>	<u>(2,451,825)</u>

20 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:

	31 August 2023 £	31 August 2022 £
Defined contribution schemes	<u>563,223</u>	<u>522,749</u>

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

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

	31 August 2023	31 August 2022
	£	£
Defined contribution schemes	<u>79,027</u>	<u>128,215</u>

21 Contingent assets

As part of the School's separation Agreement, Downside Abbey General Trust undertook to contribute funds towards maintenance works to be carried out on the School estate. These works were capped at £4 million, 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 re-establish profitability and positive cash flow, Downside Abbey General Trust has formerly agreed to repurpose this contribution in the form of actual donations of £1 million and reduced rent of premises from £425,000 to £212,500 annually up to 31 December 2023. It has further undertaken to meet all interest and principal repayment obligations from 1 September 2023 under the loan in the School's name and to arrange its repayment in full by August 2024, of which £2.4 million is currently outstanding. The bank loan was repaid by the DAGT in full on 26 March 2024.

22 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 £5,757,524 (2022 - £4,183,662) and held at fair value total £95,400 (2022 - £117,000).

Financial liabilities held at amortised costs total £8,271,489 (2022 - £6,752,487).

Downside School

Notes to the Financial Statements for the Year Ended 31 August 2023

23 Related party transactions

During the year ended 31 August 2023, transactions totalling £632,759 (2022 - £667,791) 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.

During the year ended 31 August 2023, costs were recharged to Downside Abbey General Trust of £13,893 (2022 - £40,773)

As at the balance sheet date the amount due to the School from Downside Abbey General Trust was £7,252 (2022 - £58,336).

The School reimbursed expenses to two Governors' totalling £1,162 (2022 - three Governor's totalling £636) during the year.

The School paid a total of £2,050 (2022 - £2,010) in Governors' expenses, during the year for the benefit of all Governors.