



THE VERNON EDUCATIONAL TRUST LIMITED

ANNUAL REPORT 2024



Vernon Educational Trust Limited
Company No. 01194206 Registered in England
Charity No. 269433

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THE VERNON EDUCATIONAL TRUST LIMITED

ANNUAL REPORT OF THE COUNCIL OF MANAGEMENT

YEAR ENDED 31 AUGUST 2024

The Council of Management ('Council') presents its report and the consolidated financial statements of The Vernon Educational Trust Limited ('Trust') for the year ended 31 August 2024. This is prepared in accordance with the Companies Act 2006 and the Charities Act 2011 and includes the Directors Report and Strategic Report, together with the consolidated financial statements for the year. The Council confirm that the latter comply with the requirements of the Companies Act 2016, the Company's Memorandum and Articles of Association and the Charities SORP 2015 (FRS102)

Charity and Legal Status

The Council administers the Trust which is a registered charity as detailed on page 1. The legal status of the Charity is a company limited by guarantee, without share capital. The Council members are also the Directors of the company. The liability of each of the members of the company is limited to an amount not exceeding £1. The names of the Members of the Council who have held office from 1 September 2024 to the date of this report unless otherwise stated are shown on page 1.

In addition, the Council members act as Governors of Danes Hill School (the School), which is fully owned by the Trust.



THE COUNCIL MEMBERS' COMMITTEE MEMBERSHIP IS LISTED BELOW

The Council of Management (‘Council’) of The Vernon Educational Trust are the school’s charity trustees under charity law and the directors of the charitable company. The members of the Council who served in office during the year and subsequently are detailed below.

	Appointed	Role	Finance and Operations Committe	Education Committee	People, Governance and Risk Committee	Welfare Committee	Nominations Working Group *
Mr Cedric Ntumba	Appointed 21 March 2024	Chair	*	*	*	*	*
Mr Ian Hunt	Acting Chair 16 December 2023 to 21 March 2024	Vice-Chair and Chair of Education Committee	*	*			*
Mr John Raymond	Appointed 1 January 2023	Chair of Finance and Operations Committee	*				*
Mr Inderjit Rai	Appointed 1 November 2023. Retired 6 September 2024	Chair of Finance and Operations Committee (from 1 November 2023 to 6 September 2024)	*				*
Mr Tim Jones		Chair of People, Governance and Risk Committee			*		*
Mrs C Charles	Appointed 1 January 2024					*	*

THE COUNCIL MEMBERS' COMMITTEE MEMBERSHIP IS LISTED BELOW (CONTINUED)

	Appointed	Role	Finance and Operations Committee	Education Committee	People, Governance and Risk Committee	Welfare Committee	Nominations Working Group *
Mrs A Hutchinson	Retired 28 June 2024				*		*
Mr A Sadighi	Appointed 1 September 2022. Retired 10 October 2023		*				*
Mr D Tiller	Appointed 1 September 2022					*	*
Mr G R A Davies	Appointed 1 January 2023			*			*
Ms H Hunter	Appointed 1 January 2023. Retired 1 January 2024		*		*		*
Ms L Leslie-Miller	Appointed 21 March 2024				*		*
Ms C Cornish (Parent of Pupil)	Retired 15 December 2023		*	*	*	*	*

*The Nominations working group is convened when New Trustee applications are submitted to the Chair of Governors. All Trustees can be called upon, depending on their background and experience, or availability, to do first and second round interviews.

During the year the activities of the Council were carried out through the committees described above. The membership of these committees is shown above for each member of Council.

GOVERNORS



Cedric Ntumba, Chair



Ian Hunt, Deputy Chair



Claudette Charles



Gareth Davies



Tim Jones



Lindsay Leslie-Miller



John Raymond



Dan Tiller

The VET has a very active board of governors, each of whom contributes valuable knowledge gained throughout their diverse careers.

Not only do we benefit from the experience of a number of current and previous independent school heads, but the expertise of the board is further enhanced by members who have a variety of commercial and other relevant backgrounds for the governance of an independent school and Charity .

The Full Governing Board – known as Council – meets once a term to discuss and decide on key issues. In addition; there are termly meetings of each subcommittee as well as working groups, consisting of relevant governors, school SLT and optional external experts, who discuss pertinent issues facing the sector or school.

Chair of the Governors

Mr Cedric Ntumba
chair@daneshillschool.com
01372 842509

Address:
Danes Hill School
FAO: Chair of Governors
Leatherhead Road, Oxshott,
KT22 0JG

REFERENCE AND CONTACT INFORMATION

Key Officers

M Shaw (until 23 March 2024) Head
R Brown (appointed 15 April 2024) Interim Head
E Tonnard Company Secretary and Clerk to the
Governors (also Director of Finance and
Operations for Danes Hill School)

Auditors

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Solicitors

VWV
24 King William Street
London
EC4R 9AT

Insurance Brokers

Endsleigh Insurance Services Limited
The Quadrangle Imperial Square
Cheltenham
GL50 1PZ

Principal Address and Registered Office

Danes Hill School, Leatherhead Road, Oxshott,
Surrey, KT22 0JG

Telephone:

01372 842509

Email:

dfo@daneshill.surrey.sch.uk

Website:

www.vernoneducationaltrust.org.uk

www.daneshillschool.co.uk

AIMS, OBJECTIVES AND VALUES

The Vernon Educational Trust encourages pupils to become confident, articulate individuals by governing the provision of teaching the values, skills and a desire for learning, so that they are ready to take on the challenges of the next stage of their education and life beyond.

Danes Hill School, governed by the Vernon Educational Trust, aims to provide a broad-based education, with the right support and resources available for all pupils, including those who are excelling and those who need more support, to achieve their full potential. Danes Hill School children are also encouraged to take every opportunity to develop sporting, musical, dramatic and other non-academic talents and interests. The school is divided into four houses and inter-house competition in sporting, artistic and academic spheres is encouraged.

The school aims to guide children so that they become independent and confident individuals who enjoy succeeding and making a contribution to both the school and the wider community.

Children are expected to have the fullest possible involvement in the life of the school, and the flourishing school council meets regularly to discuss issues and influence decisions affecting pupils' welfare.



Pupils are always encouraged to be tolerant and supportive of others, and there is a strong emphasis on charitable giving and fundraising which might range from support for an individual child's fund-raising efforts, to a major event such as a sponsored walk, involving the whole school.



AIMS, OBJECTIVES AND VALUES

Growth

Pupils can demonstrate Growth by – working hard, giving their best effort, investing in their own development, being active in the development of those around them, expanding their horizons, nurturing their community.



Passion

Pupils can demonstrate Passion by – being inspired, showing curiosity, showing ambition in all they do, striving to succeed, showing dedication in all things and not giving up.

Courage

Pupils can demonstrate Courage by – developing the confidence to take risks, trying new things, not being afraid to fail, speaking up for themselves and for others, telling the truth.



Respect

Pupils can demonstrate Respect by – having an awareness of others as well as themselves, treating everyone with dignity, showing others kindness and consideration, showing others empathy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is governed by its Memorandum and Articles of Association, last amended on 31 October 2024.

Governing body

Members can serve a term of 3 years and are eligible for re-election twice, allowing them to serve a maximum of nine years. The Council is authorised to appoint new members to its number provided it does not exceed the maximum (15) prescribed by the Articles of Association. A Nominations working group exists to deal with the appointment of new Council members.

Recruitment and training of Council members

New Council members are elected at a General Meeting on the recommendation of the Nominations working group. In making these nominations, account is taken of eligibility, personal competence, specialist skills and availability. New members are inducted into the workings of the Trust, and also of the Company as a registered charity, including Board Policy and Procedures, by the Chairman, Company Secretary, the Head and Director of Finance & Operations. Appropriate external training on governance, safeguarding and other relevant matters is offered to Council members.

Organisational management

The Council meets at least three times a year to determine general policy and review the framework of management and control for which it is legally responsible. The detailed proposals are formulated by three of the standing committees, namely the Education and Welfare Committee, the Finance and Operations Committee and the People, Governance and Risk Committee, which make recommendations to Council. These Committees meet prior to Council meetings and on other occasions as necessary to review the business of Council, including strategy, the budgets and the annual report and accounts.

The day-to-day running of the School is delegated to the Head and the Director of Finance & Operations in accordance with the delegated powers protocol. Remuneration is set by Council, with the policy objective of rewarding fairly and responsibly collective contributions to the school’s successes.

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

53

Pupils were awarded scholarships in prestigious senior schools in academic 2023-2024



Delivery of the Trust’s charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.



Charity Governance Code

The Council are satisfied that the Charity applies the principles of the Charity Governance Code within its current Governance arrangements.

The governing body undertook a skills audit of the Council as a whole, and this highlighted areas of expertise which could be strengthened by specific representation on the Council. This has informed and will continue to inform the work of the Nominations working group.

In addition, the Nominations working group is utilising the outcome of the Governor Skills Audit to continue taking positive action in its search, evaluation, and selection of new trustees to ensure that its membership reflects diversity in its broadest sense.

Group structure and relationships

The Trust has two wholly owned non-charitable subsidiaries, Danes Hill Trading Limited and Brinlay Limited, both of which are currently dormant.

The school is a member of the Independent Association of Preparatory Schools (IAPS), the professional organisation for promoting and maintaining preparatory school standards. It is also a member of the Association of Governing Bodies of Independent Schools (AGBIS) and the Independent Schools Bursars Association (ISBA).

Fundraising

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

“
By actively seeking a range of perspectives resultant from diversity of culture, demographics, skills, experience, race, age, gender, educational and professional background, the Council will be best placed to overcome challenges, improve the Charity’s performance, and support good decision making.”



STRATEGIC AIMS AND OBJECTIVES

Charitable Objects

The objects of the Trust, in accordance with its Memorandum of Association, are to advance the education of children and adults by the provision of day nurseries, pre-preparatory schools, preparatory schools, secondary schools and tutorial Schools. Currently the Trust governs Danes Hill School, offering nursery provision, pre-preparatory and preparatory education. In the past the Trust has operated other educational establishments and has reviewed opportunities to acquire additional schools. The Trust continues to explore and consider new ways of achieving its objects.

In the furtherance of these objects the Council, as the charity trustees, have complied with the duty in s.4 of the Charities Act 2011 to have due regard to the Charity Commission’s published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Objectives for 2024/2025


The Trust's primary objective at Danes Hill School continues to be the education and development of each individual pupil to reach their individual potential. This is through marked academic excellence and a plethora of extra-curricular opportunities to stimulate and engage young minds. ensuring that on leaving they will be able to gain entry to and fully benefit from an education at their chosen senior school.

This is achieved through ensuring the School maintains strong teacher-to-pupil ratios that support every child with quality-first and innovative teaching as well as offering an extensive curriculum for more able children and the right individualised support for those that need it.

The trust is also maintaining its bursary programme to ensure we continue to offer support to children from lower-income families for a transformative education.

Strategic aim

The Trust’s strategic aim is to provide leading co-educational schooling and ensuring every pupil reaches their own potential.




We want to ensure we widen demographic access to our prep school to have an authentically mixed school population. This not only enriches our school but also transform lives by offering a premium independent education to talented pupils.

Principal activity

The Trust’s principal activity continues to be the provision of a premium, contemporary and balanced non-selective education for boys and girls aged between 2 and 13.

The Trust has been successful in developing and ensuring grounds and facilities are maintained to the highest standard, focusing on safety and enjoyment of the natural beauty surrounding the school.



Public Benefit

The Trust is proud of its contribution towards public benefit and works to make a difference in our local community and the wider world. The Trust looks to utilise its assets for the use of the community where appropriate; however it is restricted to core hours, outside of which the facilities are not available for use due to planning restrictions.

A Danes Hill School education

The school educates approximately

650 pupils

from a large geographical area in Surrey and South West London.

The children study a broad range of subjects with the objective of getting them ready for their chosen senior school and to lay the foundations for a fulfilling adult life where they can become active citizens in their own communities.

Transformative education for talented pupils


The Trust continues to grant a number of transformative bursaries to deserving pupils under its Bursary and Financial Assistance Policy. These are means tested and the criteria for these bursaries are determined by the Council and are applied in conjunction with the Financial Assistance Working Group.




Working towards a sustainable future

The decisions we make are for the sustainable future of the School and the wider world, so that we support our future generations.


Our sustainability aims can be summarised as follows:



To ensure our environmental footprint is considered in all our decision-making



To ensure long-term sustainability in all areas of school life, including our financial strategy and our regulatory compliance.



To ensure we encourage our suppliers to consider their carbon footprint.

Working with our colleagues in the State sector

The school is also an established ECT (Early Career Teachers) Network Centre for teachers from other schools. A fully comprehensive staff development programme is in place which enables graduates to obtain “Qualified Teacher Status” (QTS) through our Graduate Training Programme (GTP).

The school’s facilities were shared with The Royal Kent School (a C of E primary school within the Oxshott Community) during the summer term. The children used the sports facilities, the Science and Design and Technology classrooms and equipment and were provided with lunch. The Royal Kent School used the swimming pool throughout the year for their weekly swimming lessons.

Local Community Fundraising

The school interacts with a large number of communities and educates the children about what their roles are and why they are so important. Developing young people who have both a sense of understanding and compassion for others is an essential part of the mission at Danes Hill School.

The Year 7 and 8 children pack food hampers for the Oasis Christmas Hamper Appeal during the last week of term. Staff and children prepare hampers ready to be delivered to vulnerable families over the Christmas period.

The Harvest Festival at the start of the year collected food donations for the Cobham Food Bank and "Hello Yellow Day" raised over £500 for the charity, to support Children's Mental Health Week.

At the Pre-Prep, MacMillan Mondays have seen staff sign up to bring home baked goods into school throughout the term for the team to enjoy, in return for a donation to the MacMillan Cancer charity.

The charity afternoon in the Spring Term raised over £3000 for the British Red Cross.

We also supported the Oliver Gobat Sport Fund – set up by the family of an ex-Danes Hill pupil in his memory to support aspiring sportsmen/women under 21 in St Lucia.

The philanthropic ethos of the school is very strong with three nominated charities benefitting from the energetic fundraising initiatives of the children, staff and parents. Last academic year, funds were raised for: Sight for Surrey (a local entity that provide highly specialist support for people with sensory loss in Surrey), Toki Music School on Easter Island (the Music and Arts School is an educational community, part of an NGO TOKI Rapa Nui, where a cultural-educational programme is developed to empower children and youth, and provide them with opportunities for expression), and Shooting Star Children's Hospices (support children with life-limiting conditions). Both staff and children are united when planning and delivering events throughout the year, which include Santa Dashes, sporting activities, Charity and mufti days.

The school also works with the local community in a variety of ways and additional fundraising events might take place in the form of cake sales, Christmas shoeboxes, clothing collections and donations to the local food bank after Harvest Festival.

Danes Hill strives to deliver new exciting events to motivate and encourage the whole community to think of others and raise money for invaluable charities who support children and their families.

The Friends of Danes Hill, who are run by a dedicated key parent Committee with several additional parent representatives across the year groups, work tirelessly in organising several events over the year to raise monies for the school, which have most recently funded the purchase and installation of table tennis tables for the children and playground equipment.



Operational performance

Mrs Maxine Shaw left the school, succeeded by Mr Richard Brown, formerly Head of Handcross Park School in Sussex, who took up interim leadership of the school in April 2024. Colin Baty will be joining the school as the new permanent Head in early 2025.

Danes Hill School continues to be the major asset of the Vernon Educational Trust. Demand for places remains healthy with an increased interest for nursery, Reception and Year 3 places. Whilst children applying for places in Year 2 and above sit a basic assessment in literacy and numeracy, the school is gently selective, ensuring all children admitted are able to thrive in the vibrant environment and life of the school. The School very much prides itself on its all-round ethos and tradition of producing well rounded, articulate and confident individuals, who have a sense of purpose, zeal for life and determination to make the most of all that the School has to offer.

The curriculum continues to be developed and updated, to be exceptional in its breadth, depth and balance and it has enabled a wide range of skills and talents to be deployed. There is a highly inclusive ethos where excellence across academic, artistic and sporting domains is expected, valued and much celebrated. Once again, for the academic year 2023/24, 53 scholarships were awarded to pupils in sports, DT, music and academia by some of the top independent schools in the country. These outstanding achievements bear eloquent testimony to the enthusiasm and industry of the pupils but also the skill and commitment of the teaching staff throughout the school. Overall academic performance of pupils over the year has been commendable.

Pupils across the school have worked hard and enjoyed success in various subjects. There have been a high number of Scholarship and Exhibition awards, 53 in total, at both 11+ and 13+. 86 pupils in Year 6 sat senior schools pre-tests, with 97% receiving an offer to the senior school of their choice.

All pupils are encouraged to participate in a wide range of sports, including athletics, cricket, cross-country, rugby, football, golf, hockey, netball, skiing, gymnastics, swimming and tennis. The girls' senior teams all play hardball cricket, and a number of fixtures have mixed teams. Facilities include a full-size all-weather AstroTurf, state-of-the-art double Sports Hall with climbing wall, and heated swimming pool which are used when hosting a plethora of tournaments and fixtures, including IAPS events. Under the management of the Director of Sport, the Games and PE programmes continue to be developed, which includes the provision of fundamental and squad sessions to better cater for the needs of all pupils, a restructuring of areas of responsibilities with staff leading least one core sport and greater external celebration of our successes. The Royal Kent School were able to gain and develop swimming skills through regular use of the school pool again last academic year.

Drama and Music continued to go from strength to strength as all pupils are offered extensive provision, both inside and outside of the classroom to develop their talents. Both have full calendars for the academic year, which includes concerts, Teatime Drama performances and the traditional events for both Christmas and the Summer terms. Overseas music tours for the Chamber Choir take place every year and the Drama department are heading off to Luxembourg for the Shakespeare Schools Festival (with pupils in Years 5 & 7). We continue to have a thriving team of peripatetic staff with many pupils learning musical instruments and taking LAMDA lessons. This year there will be productions for Years 1, 2, 4, 6 and 8, and a Christingle for Y3, meaning that pupils in all year groups have an outlet for their dramatic endeavours.

Strategic report and financial review

The financial statements are prepared under the historical cost convention on the going concern basis and in accordance with applicable UK accounting standards. In preparing the financial statements, the Trust follows best practice as set out in the Charity SORP 2015 (FRS102) and complies with the Companies Act 2006. The Trust’s principal accounting policies are set out in note 2 to the financial statements. The group financial statements consolidate the financial statements of the Trust and its wholly owned subsidiary undertakings on a line-by-line basis.

The results for the year for the Trust are summarised as follows:

	2024 £’000	2023 £’000
Surplus before depreciation	395	937
Depreciation of Fixed Assets	(1,134)	(1,230)
(Deficit) / Surplus after Depreciation	(739)	(293)

Reserves policy

Council’s policy is to achieve Free Reserves sufficient to avoid the school having to utilise its overdraft facilities in the normal course of its activities.

The Trust had total unrestricted reserves of £34.7m (2023: £35.4m) at the year-end. Free Reserves are calculated as unrestricted funds, less amounts invested in tangible fixed assets and designated funds plus any loans taken to procure fixed assets. On this basis free reserves included in the charity’s accounts are £6.41m (2023: £6.25m), which are being held in line with the current review of the site masterplan.

The Trust’s policy is to ring-fence one term’s worth of operating expenditure, approximately £4m, as working capital reserves. The level of free reserves held are a little higher than in this policy. However, in view of the uncertainty within the sector the Governors are satisfied with this level.

Investment policy

In accordance with the Trust’s treasury policy, short-term deposits are invested to fulfil the Trust’s future capital expenditure objectives and to provide funds, which will generate income for educational awards.

The Trust has two subsidiary companies. Details of these and their financial performance for the year are given in note 14 to the financial statements.

Risk management

The Council, with assistance from the Finance and Operations Committee, has reviewed the principal areas of the Trust’s operations and considered the major risks faced in each of these areas. In the opinion of the Council, the Trust has established resources and a review system which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operation. The school maintains a Risk Register which the Council and SLT review regularly, in which key risks that have been identified include the following:

- Safeguarding failure, mitigated by weekly pastoral meetings, ever maturing pastoral structure, whole school approach and oversight from a Safeguarding governor and full board, fully trained.
- Eco-political risks, specifically taxation and regulatory changes, such as VAT on school fees and the removal of National non-domestic rates (NNDR) relief. This is mitigated by ongoing consultation with professional bodies such as ISBA and external advisors, thorough forecasting which is stress tested, cash flow forecasting and reviewing additional income streams.
- Ensuring the financial health and prosperity of the School, to keep student numbers at levels that allow the School to invest in improving its buildings and facilities. This is managed by the financial controls, regular internal financial reviews and the Finance and Operations Committee and by full governing body.
- AI and Cyber security risks, mitigated by horizon scanning, policy and procedure review on a regular basis, external stress testing and external advice and insurance.

Future plans

The plans for future periods include:

- ✔ To continue to support accessibility to the School for all pupils capable of engaging with the education at the School irrespective of the wealth of their parents. A restricted bursary fund is available to this effect.
- ✔ To continue to stretch and challenge all pupils academically irrespective of their level of ability.
- ✔ To give children the chance to move on to a large and varied range of Senior schools.
- ✔ To continue to innovate the curriculum in a way that pupils can embrace and that delivers necessary life skills, including AI and emotional intelligence.
- ✔ To continue to provide and seize opportunities to engage with the community in a meaningful way and through this to ensure staff, parents and pupils have an appreciation of the world around them and the difference they can make.
- ✔ To continue to ensure financial stability in a time unprecedented in the independent school sector.
- ✔ To retain high performing staff and provide them with developmental training and support.
- ✔ Although the Trust currently operates only one school the Council members are aware that the objects, as stated in the Memorandum of Association, permit a wider involvement in education. They have and will in the future consider opportunities when they arise.
- ✔ To continue to develop the site as and when required.

In order to achieve these, the following strategies are in place:

- ✔ Continued development of Danes Hill School's assets.
- ✔ To provide continuing support of pupils who will benefit from the School's education through scholarships and means tested bursaries.
- ✔ Dedicated staff resources aimed at providing support to both children who are underachieving and to scholars.
- ✔ Investment in the School's educational, pastoral and social spaces to continue to provide an environment to attract high performing pupils.
- ✔ Continuation of existing work with the community and local state primary schools.
- ✔ Thorough induction of new members of Council and committee members.
- ✔ Continuation of strong control environment, cash flow forecasting and early liaison with banks and pension trustees to ensure funding is available when needed.





Danes Hill has a detailed sustainability plan with clear targets and priorities

Sustainability for the Trust means reducing our carbon emissions to as low as practically possible and offsetting what is left. The majority of our emissions come from our energy usage, food, and transport. Our sustainability plan identifies areas where we aim to reduce our emissions as well as engaging students, parents and the staff body in more sustainable projects and activities.

In 2022, Danes Hill School set up a sustainability committee, focusing initially on developing a sustainability plan, and then to create an implementation plan. The School started drawing energy from its solar panels and used its attenuation tank to water the sports fields. In 2024, the school deepened its work with the Oxshott Net Zero community team to help reduce carbon in the community, and hosted repair cafes. The school saw more solar power yield and invested in greener spaces. Planning is also underway for electrical charging points as well as a Staff Electrical Car scheme.



STATEMENTS AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Going Concern

The Board of Trustees has reviewed The Vernon Educational Trust's activities, financial position and risk management policies together with factors likely to affect future development, including the impact of economic uncertainty and the political financial and regulatory policy on fee income. The Trustees have concluded that it is reasonable to expect the Trust to have adequate resources to continue in operation for the foreseeable future. Accordingly, the going concern basis of accounting continues to be adopted in preparing the financial statements.

Responsibilities of the Council

Company law requires the Council to prepare financial statements for each financial year. Under that law the Council has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Council must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period. In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards, 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 Trust will continue in operation.

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

So far as each member of Council is aware at the time the report is approved:

- There is no relevant audit information of which the charity's auditors are unaware, and
- Each member of Council has taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Crowe U.K. LLP have signified their willingness to continue in office and will be deemed reappointed.

Approved by the Council (including in their capacity as company directors approving the Strategic Report contained therein) on 20th March 2025 and signed on its behalf by



K C Ntumba



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VERNON EDUCATIONAL TRUST

Opinion

We have audited the financial statements of The Vernon Educational Trust Ltd ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2024 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated cashflow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and the charitable company's affairs as at 31 August 2024 and of the group's 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's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VERNON EDUCATIONAL TRUST

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VERNON EDUCATIONAL TRUST

We obtained an understanding of the legal and regulatory frameworks within which the charitable company 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 Companies Act 2006 and taxation legislation, together with the Charities SORP (FRS 102). 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 charitable company'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 charitable company 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,

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the potential override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance, Development & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted 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 non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Tina Allison

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

8 April 2025

THE VERNON EDUCATIONAL TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 Total funds £'000	2023 Total funds £'000
Income from:			
Charitable activities			
Education	3	13,141	13,651
Investments			
Investment income	4	431	189
Voluntary sources			
Donations		-	-
Other activities		3	36
Total income		<u>13,575</u>	<u>13,876</u>
Expenditure on:			
Raising funds:			
Fundraising and publicity	5	160	167
Charitable activities			
Education	6	14,154	14,002
Total expenditure	9	<u>14,314</u>	<u>14,169</u>
Net movement in funds for the year		(739)	(293)
Fund balances at 1 September	20	<u>35,436</u>	<u>35,729</u>
Fund balances at 31 August	20	<u><u>34,697</u></u>	<u><u>35,436</u></u>

The group's income and expenditure all relate to continuing operations.

All incoming resources in the current and prior year were unrestricted

There were no other gains or losses recognised in the year.

The notes on pages 27 to 45 form part of these financial statements.

THE VERNON EDUCATIONAL TRUST
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £'000	2023 £'000
Fixed assets			
Tangible assets	13	27,750	28,595
Investments	15	9,293	5,257
		<u>37,043</u>	<u>33,852</u>
Current assets			
Stock		18	20
Debtors	17	3,081	3,915
Cash at bank and in hand		710	1,870
Short term deposits	16	1,127	1,927
		<u>4,936</u>	<u>7,732</u>
Creditors – Amounts falling due within one year	18	<u>(7,020)</u>	<u>(5,876)</u>
Net current assets		<u>(2,084)</u>	<u>1,856</u>
Total assets less current liabilities		<u>34,959</u>	<u>35,708</u>
Creditors – Amounts falling due after more than one year	19	<u>(262)</u>	<u>(272)</u>
Net assets		<u>34,697</u>	<u>35,436</u>
The funds of the charity			
Unrestricted funds	20	<u>34,697</u>	<u>35,436</u>

Approved by the Council on 20th March 2025 and signed on its behalf by:



K C Ntumba

Registered company number 01194206

The notes on pages 27 to 45 form part of these financial statements.

**THE VERNON EDUCATIONAL TRUST
CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2024**

	Notes	2024 £'000	£'000	2023 £'000	£'000
Fixed assets					
Tangible assets	13		27,542		28,378
Subsidiaries	14		-		-
Investments	15		9,293		5,257
			<u>36,835</u>		<u>33,635</u>
Current assets					
Stock		18		20	
Debtors	17	3,085		3,919	
Cash at bank and in hand		710		1,870	
Short term deposits	16	1,127		1,927	
		<u>4,940</u>		<u>7,736</u>	
Creditors – Amounts falling due within one year	18	(7,033)		(5,890)	
		<u></u>		<u></u>	
Net current assets			(2,093)		1,846
Total assets less current liabilities			<u>34,743</u>		<u>35,481</u>
Creditors – Amounts falling due after more than one year	19		(262)		(272)
			<u>34,480</u>		<u>35,209</u>
Net assets			<u><u>34,480</u></u>		<u><u>35,209</u></u>
The funds of the charity					
Unrestricted funds	22		<u><u>34,480</u></u>		<u><u>35,209</u></u>

The net result for the financial year dealt with in the financial statements of the parent charity was a deficit of £0.727m (2023 – deficit £0.3m)

Approved by the Council on 20th March 2025 and signed on its behalf by:



K C Ntumba

Registered company number 01194206

The notes on pages 27 to 45 form part of these financial statements.

THE VERNON EDUCATIONAL TRUST
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Cash flow from operating activities	24		1,934		819
Cash flows from investing activities					
Interest received		431		189	
Proceeds from sale of tangible fixed assets		-		16	
Payments to acquire investment property		-		(36)	
Payments to acquire tangible fixed assets		(289)		(563)	
Net cash outflow from investing activities			142		(394)
Change in cash and cash equivalents in the reporting period			2,076		425
Cash and cash equivalents at the beginning of the reporting period			9,054		8,629
Cash and cash equivalents at the end of the reporting period			11,130		9,054
Analysis of net cash					
	At 1 September		Cash flow	At 31 August	
	2023		2024		
	£'000		£'000		£'000
Cash at bank and in hand	1,870	(1,160)		710	
Long term deposits	5,257	4,036		9,293	
Short term deposits	1,927	(800)		1,127	
	<u>9,054</u>	<u>2,076</u>		<u>11,130</u>	

The notes on pages 27 to 45 form part of these financial statements.

THE VERNON EDUCATIONAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1. Charitable status and taxation

The company (herein referred to as “the Trust”) is limited by guarantee and does not have a share capital. The Trust is not subject to taxation on its charitable activities, although it bears the cost of value added tax on purchases. The income of the Trust is exempt from VAT for the 2023-24 academic year. This is due to change from 1 January 2025. The school is a Public Benefit Entity registered as a charity in England and Wales (charity number: 269433). The address of the registered office is: -

Danes Hill School
Leatherhead Road
Oxshott
Surrey
KT22 0JG

2 Principal accounting policies

2.1 Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the 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) - effective 1 January 2015.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, modified to include certain items at fair value.

2.2 Going concern

As detailed in the financial commentary in the Trustees’ Annual Report the trustees, having reviewed the charity’s activities and financial position, consider the going concern basis of accounting to be appropriate.

2.3 Basis of preparation of group financial statements

The group financial statements consolidate the financial statements of the Trust and its wholly owned subsidiary undertakings on a line by line basis. In accordance with the exemption allowed under Section 408 of the Companies Act 2006, the Trust’s Statement of Financial Activities is not separately presented.

2.4 Critical accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2 Principal accounting policies (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2.5 Income

Income is recognised in the period in which the charitable group is entitled to receipt, the amount can be measured reliably and the economic benefit to the School is considered probable. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it.

Tuition and registration fees are accounted for when receivable and when the economic benefit to the School is considered probable.

Fees for extracurricular activities represent fees charged to parents for activities not forming part of the tuition fees and are accounted for on a receivable basis. Donations are accounted for as and when they become known and when the economic benefit to the School is considered probable.

Amounts received under the school's Advance Fee Scheme contracts for education not yet utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

2.6 Expenditure and basis of allocation of costs

Expenditure is included when incurred, inclusive of VAT.

The majority of costs are directly attributable to direct charitable expenditure, being the provision of education. A small amount of support costs are reallocated to governance costs, based on % of time.

2.7 School buildings and equipment

Capitalisation and replacement

The freehold and leasehold land and buildings at Oxshott were professionally revalued by FPD Savills, Chartered Surveyors, in 1997 at £1,775,000. The Trust is responsible for keeping the buildings in good condition, and these costs are written off as incurred.

Building improvements and extensions subsequent to the valuation costing more than £5,000, together with furniture and fittings, motor vehicles and computers costing more than £1,000, are capitalised and carried in the balance sheet at historical cost.

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2 Principal accounting policies (continued)

2.8 Depreciation

Depreciation is calculated to write off the cost of depreciable fixed assets in equal instalments over their estimated useful lives. The estimated useful lives are as follows: -

Freehold property	50 years
Short leasehold property and improvements	The unexpired term of the lease
Leasehold property improvements	50 years
Motor vehicles	4 years
Computers	3 years
Furniture, fixtures and fittings	10 years or the unexpired term of the lease
Temporary buildings	5 years (residual value considered to be 20% of cost)

2.9 Operating leases

As lessee: Rental payable under operating leases are charged in equal instalments over the term of the lease. As lessor: Assets held for use in operating leases are included in fixed assets and depreciated over their useful life. Rental income from operating leases is recognised in equal instalments over the term of the lease.

2.10 Unrestricted funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust. Designated funds are unrestricted funds of the Trust which the trustees have decided at their discretion to set aside for a specific purpose.

2.11 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Cash on deposit which is not needed for working capital within the forthcoming year is shown under investments. Investments are held at fair value at the Balance Sheet date.

2.12 Pension costs

Contributions payable to the Teachers' Pension Agency and personal pension schemes for staff are charged to the Statement of Financial Activities in the period to which they relate.

2.13 Financial Instruments

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

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

3. Incoming resources from charitable activities

	2024	2023
	£'000	£'000
Tuition	14,125	13,589
Fees for extracurricular activities	240	946
Less: Total bursaries and discounts	(1,224)	(884)
	<u>13,141</u>	<u>13,651</u>

4. Investment income

	2024	2023
	£'000	£'000
Bank interest receivable	431	189
	<u>431</u>	<u>189</u>

5. Fundraising and publicity

	2024	2023
	£'000	£'000
Public relations	123	157
Advertising and publicity	37	10
	<u>160</u>	<u>167</u>

6. Education costs - Group

	Direct	Support	2024	2023
	£'000	£'000	Total	Total
			£'000	£'000
Education:				
Teaching costs	8,106	-	8,106	6,054
Premises costs	1,277	-	1,277	1,317
Catering	-	1,036	1,036	988
Course materials	359	-	359	942
Legal and professional	209	-	209	257
Depreciation	928	206	1,134	1,230
Loss on Disposal	-	-	-	115
Interest payable	-	17	17	27
Support salaries	-	486	486	1,709
Other	-	1,530	1,530	1,363
	<u>10,879</u>	<u>3,275</u>	<u>14,154</u>	<u>14,002</u>

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

7 Support costs

	Education	Governance	Total	Total
		(Note 8)	2024	2023
	£'000	£'000	£'000	£'000
Staff costs	470	16	486	1,706
Interest payable (note 10)	17	-	17	27
Depreciation	206	-	206	291
Catering	1,036	-	1,036	988
Other	1,484	46	1,530	1,366
	<u>3,213</u>	<u>62</u>	<u>3,275</u>	<u>4,378</u>

8 Governance

	2024	2023
	£'000	£'000
Audit	39	37
Other non-audit Costs	7	-
Staff costs	16	12
	<u>62</u>	<u>49</u>

9 Total resources expended – Group

	Staff costs	Depreciation	Other costs	Total	Total
	£'000	£'000	£'000	2024	2023
	£'000	£'000	£'000	£'000	£'000
Education	8,592	1,134	4,428	14,154	14,002
Fundraising and publicity	-	-	160	160	167
	<u>8,592</u>	<u>1,134</u>	<u>4,588</u>	<u>14,314</u>	<u>14,169</u>

Other costs include the following expenses:

	2024	2023
	£'000	£'000
Hire of plant and machinery - operating leases	69	91
Rent payable	77	68
Auditor's remuneration		
- Audit	39	37
	<u></u>	<u></u>

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

10 Interest payable and similar charges

	2024 £'000	2023 £'000
On bank loans and overdrafts	17	27
	<u> </u>	<u> </u>

11 Emoluments of Council members

None of the council members received any remuneration or received any other benefits from employment with the trust.

Four (2023: Four) Trustees incurred expenses of £2,010 (2023: £4,553) during the year relating to travel and subsistence.

During the prior year one Trustee (Catherine Cornish) was paid for their services an amount of £10,000, which was agreed with the Charity Commission and covered loss of earnings.

12 Staff costs

	2024 Number	2023 Number
The average headcount of persons employed during the year was as follows:		
Teaching staff	105	112
Senior management	8	5
Ancillary staff	28	24
	<u> </u>	<u> </u>
	141	141
	<u> </u>	<u> </u>
Employment costs included in ordinary activities:		
	2024	2023
	£'000	£'000
Wages and salaries	6,670	6,115
Social security costs	725	656
Other pension costs	1,146	1,072
Other employment costs	51	28
	<u> </u>	<u> </u>
Total employment costs	8,592	7,871
	<u> </u>	<u> </u>

Wages and salaries include £104k of cover/temporary staff costs (2023: £76k)

The total remuneration paid to key management personnel was £1.658m (2023: £1.509m). Key management are considered to be the Senior Management Team.

During the year there were termination payments made which amounted to £251,844 (2023: £44,386). At 31st August 2024 there was £75k outstanding (2023: £Nil).

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

12 Staff costs (continued)

The number of employees who received emoluments in the following ranges were:

	2024	2023
	Number	Number
£250,001 - £260,000	-	1
£200,001 - £210,000	-	1
£130,001 - £140,000	1	1
£120,001 - £130,000	1	-
£100,001 - £110,000	1	1
£90,001 - £100,000	2	3
£80,001 - £90,000	1	1
£70,001 - £80,000	1	-
£60,001 - £70,000	5	4

Pension contributions paid in respect of these employees totalled £0.184m (2023: £0.188m).

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

13 Tangible fixed assets

Group	Freehold Property £'000	Leasehold £'000	Assets in Construction £'000	Motor vehicles £'000	Computers £'000	Fixtures and fittings £'000	Total £'000
At cost or valuation							
1 Sep 2023	3,733	31,587	-	592	1,709	3,094	40,715
Additions	-	18	11	-	89	171	289
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
31 Aug 2024	<u>3,733</u>	<u>31,605</u>	<u>11</u>	<u>592</u>	<u>1,798</u>	<u>3,265</u>	<u>41,004</u>
Depreciation							
1 Sep 2023	1,055	7,569	-	589	1,377	1,530	12,120
Charge for the year	74	596	-	3	204	257	1,134
Released on disposal	-	-	-	-	-	-	-
31 Aug 2024	<u>1,129</u>	<u>8,165</u>	<u>-</u>	<u>592</u>	<u>1,581</u>	<u>1,787</u>	<u>13,254</u>
Net book values							
31 Aug 2024	<u>2,604</u>	<u>23,440</u>	<u>11</u>	<u>-</u>	<u>217</u>	<u>1,478</u>	<u>27,750</u>
31 Aug 2023	<u>2,678</u>	<u>24,018</u>	<u>-</u>	<u>3</u>	<u>332</u>	<u>1,564</u>	<u>28,595</u>

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

13 Tangible fixed assets (continued)

	Freehold property £'000	Leasehold £'000	Assets in Construction £'000	Motor vehicles £'000	Computers £'000	Fixtures and fittings £'000	Total £'000
Charity							
At cost or valuation							
1 Sep 2023	3,733	31,124	-	592	1,709	2,997	40,155
Additions	-	18	11	-	89	171	289
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
31 Aug 2024	<u>3,733</u>	<u>31,142</u>	<u>11</u>	<u>592</u>	<u>1,798</u>	<u>3,168</u>	<u>40,444</u>
Depreciation							
1 Sep 2023	1,055	7,323	-	589	1,377	1,433	11,777
Charge for the year	74	587	-	3	204	257	1,125
Released on disposal	-	-	-	-	-	-	-
31 Aug 2024	<u>1,129</u>	<u>7,910</u>	<u>-</u>	<u>592</u>	<u>1,581</u>	<u>1,690</u>	<u>12,902</u>
Net book values							
31 Aug 2024	<u>2,604</u>	<u>23,232</u>	<u>11</u>	<u>-</u>	<u>217</u>	<u>1,478</u>	<u>27,542</u>
31 Aug 2023	<u>2,678</u>	<u>23,801</u>	<u>-</u>	<u>3</u>	<u>332</u>	<u>1,564</u>	<u>28,378</u>

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

14 Investments - Subsidiaries

Charity	Subsidiary companies		Total
	Shares in Danes Hill Trading Limited £'000	Loans to Brinlay Limited £'000	
Cost			
Balance at 1 September 2023 and 31 August 2024	671	786	1,457
Provision for diminution at 1 September 2023	671	786	1,457
Provision Increase	-	-	-
Provision for diminution at 31 August 2024	671	786	1,457
Net book values			
At 31 August 2024	-	-	-
At 31 August 2023	-	-	-

The Trust is looking to wind up these entities. There was no trading during the year in either entity.

The above investments are unlisted.

The loans to the subsidiary are interest free and repayable on demand.

Additional information on subsidiary undertakings:

Name	Country of incorporation and number	Class of shares held	Percentage of shares held by: Parent	Nature of business
Danes Hill Trading Limited	UK (2811263)	Ordinary	100%	Property management
Brinlay Limited	UK (3272128)	Ordinary	100%	Property management
Danes Hill Trading Limited		Brinlay Limited		
Danes Hill School		Danes Hill School		
Leatherhead Road		Leatherhead Road		
Oxshott		Oxshott		
Surrey		Surrey		
KT22 0JG		KT22 0JG		

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

15 Investments

	Group		Charity	
	2024	2023	2024	2023
	£000's	£000's	£000's	£000's
Term Deposits	9,293	5,257	9,293	5,257
	<u>9,293</u>	<u>5,257</u>	<u>9,293</u>	<u>5,257</u>

16 Short term deposits

	Group		Charity	
	2024	2023	2024	2023
	£000's	£000's	£000's	£'000
Short term deposits	1,127	1,927	1,127	1,927
	<u>1,127</u>	<u>1,927</u>	<u>1,127</u>	<u>1,927</u>

17 Debtors

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade debtors	2,670	3,683	2,670	3,683
Amounts owed by group companies	-	-	4	4
Other debtors	113	51	113	51
Prepayments and accrued income	298	181	298	181
	<u>3,081</u>	<u>3,915</u>	<u>3,085</u>	<u>3,919</u>

Trade debtors include £0.315m (2023: £3.557m) for fees invoiced in July and August for the following academic year.

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

18 Creditors – Amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	443	151	443	151
Amount due to group undertaking	-	-	21	21
Social security costs	200	178	200	178
Other creditors	248	142	240	135
Accruals	160	617	159	617
Fee invoiced in advance	5,422	4,361	5,422	4,361
Deposits	547	427	547	427
	<u>7,020</u>	<u>5,876</u>	<u>7,032</u>	<u>5,890</u>

The Council have reviewed the contract terms under which deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2024 have been included within current liabilities. The prior year deposits balance has been similarly represented.

The total amount held in relation to deposits of £0.547m (2023: £0.427m) is included above. In the normal course of business, the expected repayment of these amounts will be £0.083m (2023: £0.041m) within one year and £0.464m (2023: £0.386m) after more than one year.

19 Creditors – Amounts falling due after more than one year

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Defined benefit pension deficit funding liability	262	272	262	272

This refers to TPT Retirement Solutions - Independent Schools' Pension Scheme.

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

20 Analysis of charitable funds - Group

Analysis of movements in unrestricted funds

	Balance 01/09/2023	Income	Expenditure	Gains / (losses)	Transfer	Funds 31/08/2024
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	<u>6,254</u>	<u>13,575</u>	<u>(14,314)</u>	<u>-</u>	<u>845</u>	<u>6,360</u>
Total General Funds	<u>6,254</u>	<u>13,575</u>	<u>(14,314)</u>	<u>-</u>	<u>845</u>	<u>6,360</u>
Designated Funds						
Fixed Asset Fund	28,595	-	-	-	(845)	27,750
The Vernon Award (Bursary Fund)	587	-	-	-	-	587
Total Designated Funds	<u>29,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(845)</u>	<u>28,337</u>
Total Unrestricted Funds	<u><u>35,436</u></u>	<u><u>13,575</u></u>	<u><u>(14,314)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>34,697</u></u>

General fund: The 'free reserves' after allowing for all designated funds.

Designated funds: The bursary fund has £0.6m in the fund at 31st August 2024, this will be used over the next 5 years until 2026/27.

21 Analysis of group net assets between funds - Group

	General Fund £000's	Designated Funds £000's	Total £000's
Tangible fixed assets (incl. property)	-	27,750	27,750
Investments	9,293	-	9,293
Cash at bank and in hand	123	587	710
Other net current assets/(liabilities)	(2,794)	-	(2,794)
Creditors of more than one year	(262)	-	(262)
	<u>6,360</u>	<u>28,337</u>	<u>34,697</u>
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

22 Unrestricted funds

Charity	General Funds 2024 £'000	General Funds 2023 £'000
Balance brought forward 1 September	35,209	35,492
Surplus for the year	(729)	(283)
	<hr/>	<hr/>
Balance carried forward 31 August	34,480	35,209
	<hr/> <hr/>	<hr/> <hr/>

23 Financial instruments note

	2024 £'000	2023 £'000
Financial assets held at fair value include assets held as investments	<u>9,293</u>	<u>5,257</u>

Financial assets held at fair value include assets held as investments

24 Notes to the statement of cash flows

	2024 £'000	2023 £'000
i. Reconciliation of operating surplus to operating cash flows		
Net movement from operating activities	(739)	(293)
Investment income	(431)	(189)
Depreciation charges	1,134	1,229
Loss on disposal of assets	-	118
Decrease/(increase) in debtors	834	(269)
Decrease/(increase) in stock	2	(2)
Increase in creditors	1,134	225
	<hr/>	<hr/>
Net cash inflow from operating activities	1,934	819

THE VERNON EDUCATIONAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

25 Pension arrangements

During the year, the Trust paid a total of £1.144m (2023: £1.072m) on behalf of its employees into 4 pension schemes as follows:

- Teachers' Pension - £0.909m (2023: £0.885m)
- Pension Trust - £0.062m (2023: £0.111m)
- Royal London - £0.146m (2023: £0.076m)
- APTIS/AVIVA - £0.027m (2023: £Nil)

The TPT (The Pension Trust) Pension deficit was also revalued downwards in the year by £0.010m (2023: £0.038m).

Teachers' Pension Scheme

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £908,740 (2023: £884,509) and at the year-end £0.103m (2023: £Nil) was accrued in respect of contributions to this scheme.

Any new teaching staff recruited from 1st December 2023 go into the new APTIS scheme administered by AVIVA. This is also open to current teaching staff, should they wish to transfer over but it is being done under 'Phased Withdrawal' so staff will not be allowed back into Teachers Pensions. Staff have been offered financial advice and the maximum employer contribution for this is 20%.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023. The latest valuation showed total scheme liabilities of £262,000 million and notional assets of £222,200 million, giving a notional past service deficit of £39,800 million.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation has valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

THE VERNON EDUCATIONAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

Independent Schools' Pension Scheme

FOR THE PERIOD ENDING 31 August 2024

COMPANY: Vernon Educational Trust Limited

SCHEME: TPT Retirement Solutions – Independent Schools' Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 61 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows:

Deficit contributions

From 1 September 2022 to 30 June 2032:	£2,687,000 per annum (payable monthly and increasing by 3% on each 1st
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Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 September 2019 to 31 April 2030:	£2,387,357 per annum (payable monthly and increasing by 3% on each 1st
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

PRESENT VALUES OF PROVISION

	31 August 2024 (£s)	31 August 2023 (£s)	31 August 2022 (£s)
Present value of provision	262,154	272,304	310,506

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

Provision at start of period	272,304	310,506
Unwinding of the discount factor (interest expense)	14,677	12,594
Deficit contribution paid	(35,031)	(34,011)
Remeasurements - impact of any change in assumptions	10,204	(16,785)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	262,154	272,304

INCOME AND EXPENDITURE IMPACT

Interest expense	14,677	12,594
Remeasurements – impact of any change in assumptions	10,204	(16,785)
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

Rate of discount	4.68	5.79	4.31
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The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 August 2024 (£s)	31 August 2023 (£s)	31 August 2022 (£s)
Year 1	36,082	35,031	34,011
Year 2	37,164	36,082	35,031
Year 3	38,279	37,164	36,082
Year 4	39,428	38,279	37,164
Year 5	40,611	39,428	38,279
Year 6	41,829	40,611	39,428
Year 7	43,084	41,829	40,611
Year 8	36,980	43,084	41,829
Year 9	-	36,980	43,084
Year 10	-	-	36,980
Year 11	-	-	-

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

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

Other Schemes

The school also contributes to two personal pension schemes, both defined contribution schemes. Royal London for non-teaching staff and the APTIS scheme administered by AVIVA for teaching staff who have joined the school from 1st December 2023 and any current teaching staff who wish to transfer over under 'Phased withdrawal'. At the year-end £23k (2023: £Nil) was outstanding to the Royal London scheme and £7k (2023: £Nil) to AVIVA.

THE VERNON EDUCATIONAL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

26 Operating Leases

At 31 August 2024 the group had the following commitments under non-cancellable operating leases:

	Land and buildings		Other assets	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within 1 year	35	35	31	34
Between 1 and 2 years	35	35	22	5
Between 2 and 5 years	105	105	22	-
After 5 years	<u>2,800</u>	<u>2,835</u>	<u>-</u>	<u>-</u>

27 Capital Commitments

As at 31 August 2024 the Group had no capital commitments £0 (2023: £0).

28 Indemnity insurance

The Trust purchased insurance for the Council Members during the year to indemnify them against any liabilities arising as a result of negligence on the charity's behalf.

29 Related Party Transactions

There are no related party transactions that require disclosure.



DANES HILL SCHOOL
