

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

England & Wales · Charity number 294670

Details

Status	Registered
Legal form	Charitable company
Company number	01947995
Registered	1986-06-18
Register	View on the Charity Commission register

Contact

Address Durston House School
12-14 Castlebar Road
London
W5 2DR

Phone 02089916430

Email info@durstonhouse.org

Website www.durstonhouse.org

Activities

Objects: TO PROMOTE AND PROVIDE FOR THE ADVANCEMENT OF EDUCATION AND IN CONNECTION THEREWITH TO CONDUCT, CARRY ON, ACQUIRE AND DEVELOP IN THE UNITED KINGDOM ANY BOARDING OR DAY SCHOOLS FOR THE EDUCATION OF CHILDREN OF EITHER SEX OR BOTH SEXES AND TO SUPPLY TO THE PUPILS GENERAL INSTRUCTION OF THE HIGHEST CLASS, TOGETHER WITH PHYSICAL, MORAL AND RELIGIOUS TRAINING, BUT SO THAT EACH SCHOOL SHALL BE CARRIED ON AS AN EDUCATIONAL CHARITY.

Activities: The provision of a day school for boys aged from 4 to 13 years.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** NOT DEFINED IN PRACTICE CATCHMENT AREA OF SCHOOL
- Ealing

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£7,388,875	£7,421,807	£12,283,801	85
2023-08-31	£6,758,596	£7,390,382	£12,316,733	100
2022-08-31	£11,077,783	£6,508,630	£12,948,519	85
2021-08-31	£5,477,180	£5,516,869	£8,379,366	77
2020-08-31	£5,435,996	£5,305,803	£8,319,055	77

Trustees

Name	Role	Appointed
Alison Jane Palmer	Chair	2026-01-01
Jon Beresford Grantham		2025-03-26
Lester Ken Hou Mak		2023-09-01
Mark David Wilderspin		2026-01-01
Nicholas Christopher Hudson		2025-03-26
William Jeffrey Charles Key		2023-09-01

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 294670

Accounts

**DURSTON HOUSE SCHOOL
EDUCATIONAL TRUST LIMITED
(Limited by guarantee)**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

Registered Company Number: 1947995
Registered Charity Number: 294670

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

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DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2024

REFERENCE AND ADMINISTRATIVE INFORMATION

GOVERNORS

Mr P Carpentier
Ms A Collier (Chairman)
Mr J Gill (Appointed 1 September 2023)
Mr K S Girn
Mrs S-A Huang
Ms P J Honigsberger (Resigned 18 August 2023, Re-appointed
1 November 2023)
Miss H Kaur
Mr W Key (Appointed 1 September 2023)
Mrs Isabella Kurek-Smith
Mr K J Mahoney (Co-Chairman) (Resigned 31 October 2024)
Mr L Mak (Appointed 1 September 2023)
Dr R Maloney (Resigned 29 September 2023)
Mr M Mudan (Resigned 6 October 2023)
Mr B Purkiss
Mr F Sayood (Appointed 6 October 2023)
Mr A Sokolowski (Appointed 1 September 2023)

KEY MANAGEMENT PERSONNEL

HEADMASTER Mr K H G Entwisle

BURSAR AND COMPANY SECRETARY Mrs J M Twyford

REGISTERED OFFICE

12 Castlebar Road
London W5 2DR

ARCHITECT

ADP Architecture Ltd
150 Waterloo Road
London SE1 8SB

AUDITOR

HaysMac LLP
10 Queen Street Place
London EC4R 1AG

BANK

The Co-operative Bank
16-18 New Broadway
London W5 2XL

CHARTERED SURVEYOR

Gerald Eve
7 Vere Street
London W1M 0JB

INSURANCE BROKER

Hettle Andrews & Associates Ltd
2 Brunswick Square
Birmingham B1 2LP

SOLICITOR

Blandy & Blandy LLP
One Friar Street
Reading RG1 1DA

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2024

The governors, who are also the trustees and directors of the charitable company Durston House School Educational Trust Limited ("the Trust"), present their report and the audited financial statements for the year ended 31 August 2024 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the Charities SORP - Second Edition (effective 1 January 2019).

GOVERNING DOCUMENTS

Durston House School Educational Trust Limited was set up under its Memorandum and Articles of Association dated 17 September 1985 as a company limited by guarantee, number 1947995 and also a charity with the Charity Commission, number 294670. The School, previously privately owned, was established in 1886.

Following the opportunity presented, the Trust entered into a Change of Control agreement with Harvington School in April 2022 in which the Trust became the sole member of Harvington School. The Change of Control Agreement was entered into at the start of the Summer Term 2022. Harvington School closed on 31 August 2023 and the activities, assets and liabilities transferred to the Trust at this date.

AIM

The School's strategic aim, as a charitable independent school operating for the public benefit, is the attainment of the highest academic levels with the benefit of a comprehensive extra-curricular programme.

OBJECTIVES

The principal object of the School is to promote and provide for the advancement of education for boys and girls aged from 3 to 13 years.

In the furtherance of this object the governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Objectives for the Year

The principal objectives for the year were:

- to secure one hundred per cent success with regard to Year 8 pupils' entry into senior schools and academic scholarships results in keeping with the school's academic expectations;
- to continue and, where possible, increase the provision of means-tested bursaries to facilitate wider access to the provision of education at Durston House;
- to develop the School's profile, with regard to public benefit, in a manner that will encourage a greater level of involvement in the local community;
- to establish a successful co-educational school;
- to continue the development of plans to combine the three sections of the school on to the Carlton Road site.

ETHOS, STRATEGY AND POLICIES

Ethos

Durston House has been a preparatory school for boys since 1886. On 1 September 2023 the school became co-educational when they merged with Harvington School, the girls school next door. It welcomes those from all ethnic, cultural and religious backgrounds. The School is proud of its diversity. It is a community in which mutual respect and understanding, fairness and opportunities for all are promoted within the framework of its Christian foundation.

Strategy

The governors are responsible for setting strategy. The focus of their strategy is on the development of the pupils, their continued high levels of academic and co-curricular achievement and the broadening of access to the education the school provides. In taking this strategy forward the governors:

- Ensure the range of extra-curricular activities available to pupils is stimulating and challenging;
- Invest in technology and the infrastructure of the school; and
- Develop methods for awarding bursaries to ensure wider access to pupils from all backgrounds.

Durston House School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims and welcomes pupils from all backgrounds. Fees are set at a level to ensure the financial viability of the school.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2024

Access Policy

It is important that access to the education offered is not restricted to those who can afford full fees. The governors believe pupils benefit from learning within a diverse community. The governors will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Bursary policy

Durston House bursary awards are available to all who meet its general entry requirements and are made solely, and subject to the entry requirements, on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. The bursary awards range from 50% to 100% remission of fees.

Assistance for staff

As part of the emphasis on attracting and retaining high calibre staff, the school offers a 50% discount to staff members who choose to educate their children at Durston House.

Community access

The governors see Durston House School as a part of a wider community. Where the School can assist the community without detriment to advancing the education of its pupils the governors are delighted to do so.

A Register of Public Benefit Initiatives records appropriate ventures, including targets for the provision of means tested bursaries as a proportion of the total number of pupils on role, and the school's links with the local community, including community use of the School's playing fields.

The Head of Complementary Curriculum acts as the charities coordinator arranging various activities during the year, supported by parents and pupils, to raise funds for other organisations. The nominated charities for the year were Children in War UK and Young Ealing Foundation.

ESTATES DEVELOPMENT

The planning application for the development plans to combine the three sections of the school on to the Carlton Road site was submitted to the local planning authority in January 2020 and granted approval. Subsequently, as required, it was submitted to the Greater London Authority, where in July 2020, it was refused. The governors considered their options and agreed that the plans should be revised and updated to address the points on which it was refused. The updated planning application will be submitted in due course. The programme of routine maintenance to ensure high standards are maintained across all school sites continued. The Main School was redecorated throughout. The Pre-Prep front and rear playgrounds were resurfaced and new learning and play equipment was provided.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The Annual General Meeting is held in March each year. The governors of the School, who are also directors of the Company, are appointed in accordance with the Memorandum and Articles of Association. Responsibility for the overall management and organisation of the School rests with the governors, who meet at least on a termly basis. They are supported in carrying out their responsibilities by the Education and Welfare, Estates Development, Finance and Governance Committees, meeting termly.

Membership of the five Committees during 2023-24 was as follows – Education and Welfare: B Purkiss (Chair), Ms A Collier, J Gill and A Sokolowski; Estates Development: K J Mahoney (Chair), P Carpentier, W Key and A Sokolowski; Finance: Ms P J Honigsberger (Chair), K S Girn, Mrs I Kurek-Smith, K J Mahoney and F Sayood; Governance: Ms A Collier (Chair), Miss H Kaur and L Mak.

Operational Management

In 2023, the task of running both schools on a day-to-day basis was delegated to the Headmaster and Bursar. The Headmaster and the Bursar attended the governors' meetings of both schools. In 2024, the task of running Durston House school on a day-to-day basis was delegated to the Headmaster and Bursar. The Headmaster and the Bursar attend the governors' meetings and those of the Education and Welfare, Estates Development, Finance and Governance Committees. The Headmaster is assisted by the Durston House Senior Management Team comprising the Bursar, the Deputy Head, and the Assistant Heads, Academic and Co-Curricular who also attend meetings of the Education and Welfare Committee, the Assistant Heads, Studies Administration and Pastoral and the Head of Pre-Prep.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2024

Governor Recruitment, Induction and Training

The Governance Committee regularly reviews the mix of skills that is available to the Board. New governors are appointed by the Board until the date of the next Annual General Meeting at which they are eligible for election for a period of three years. All new governors receive an induction pack, which explains their role, the role of the Board, and details of Charity Commission and Companies House requirements. They are assigned a mentor, offered a tour of the School and given background information on previous Board decisions, Board papers, current financial position, information about the School and future developments. Governors attend a range of courses aimed at keeping them up to date with matters relevant to their roles, including Safeguarding training. These are provided by the Association of Governing Bodies of Independent Schools (AGBIS), Haysmacintyre LLP, the Trust's auditors, and Graffham Consulting Ltd. Governors spend a day or part day in school shadowing a member of staff or department as often as possible.

Governors' Interests

None of the governors has a financial or beneficial interest in the trust.

Remuneration of Key Management Personnel

Remuneration policy for key management personnel is set by the governors. The appropriateness and relevance of the remuneration policy, including reference to comparisons with other independent schools is considered, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

STRATEGIC REPORT

Achievements and Performance

Pupils

At the beginning of the year there were 389 pupils on roll. During the course of the year twelve pupils left the School and fifteen joined; we therefore ended the school year with 392 pupils.

All 34 pupils in Year 8 scored sufficiently well either in Common Entrance or through Year 6 deferred entry (or individual school entrance examinations) to gain places at their chosen schools at 13+. Six awards were offered; two Sports Scholarships - one to John Lyon and one to Harrow, one John Colet Scholarship, one Foundation Academic Scholarship to St Paul's School and two Academic Scholarships to Merchant Taylor's. Year 8 pupils leaving in July 2024 gained entry to the following schools: nine to Hampton School, seven to St Paul's School, six to Merchant Taylor's School, five to John Lyon School, four to St Benedicts, two to Harrow and one to Ada Lovelace. 18 pupils left at 11+, gaining entry to the following schools: three to St Benedict's School two each to Latymer Upper School and St Augustine's Priory and one each to The London Oratory, John Lyon School, Notting Hill and Ealing High School, Kew House, St Michael's Grammar School, Holland Park School, Alperton Community School and Ealing Fields School. Two pupils relocated abroad, one to Japan and one to India.

Bursaries and Discounts

Four pupils were supported by Durston House School during the year, three with a 100% bursary and one with a 35% bursary. A further six pupils that had transferred over from Harvington School continued to receive discounts of 50%, five had been awarded on the basis of hardship and one was a previous competition winner. Sibling discounts were introduced for the first time. 65 pupils were awarded 5% or 10% discounts. Staff discounts were introduced in 2022-23. Five members of staff, with seven children between them, received 50% discounts.

Staff

The staff – full and part-time, teaching and support – numbered 94 (85.5 full-time equivalents). The Board of Governors wish to express their thanks to the Headmaster and staff for their contributions and efforts during the year.

Pastoral Care

Durston House is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The School has 'vertical grouping' within the organisation of the four 'Houses' and 'Vertical Group' meetings at which younger and older pupils work together on a number of projects including workshops on anti-bullying.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2024

Co-curricular activities:

Sport

Sport continued to play a full part in the life of the School. Saturday and Sunday morning football and rugby tournaments at the Swyncombe Playing Field were well attended by visiting schools and large numbers of parents. Athletic sports at the Perivale Stadium were a highlight of the summer term. Pupils are encouraged to participate in team sports – notably football, rugby union, hockey and cricket – at a number of ability levels within their age groups.

Music

Many of the pupils learn at least one musical instrument and belong to various ensemble groups. Pupils in Years 3-8 are invited to perform as solo artists or ensembles at the Annual Music Concert. The Junior School and Upper & Middle School choirs also perform at this concert and the annual Carol Service.

Drama

All pupils have the opportunity to take part in small scale drama activities and/or major productions. End of term highlights were the Pre-Prep's 'Christmas Celebrations', the Junior School's 'Wizard of Oz' and the Year 8 production of 'Sherlock and Cinders'.

Trips and Outings

The extension of the curriculum beyond the classroom continued to feature prominently in the school calendar. All pupils benefited from a large number of one-day trips to places of educational and cultural interest. The Trips Policy includes funded residential trips for all pupils in Years 4 to 8.

Environmental Initiatives: Cutting the 'carbon footprint'

The School continues to take very seriously the importance of environmental sustainability in its day-to-day operations. This is demonstrated by many practical environmental and recycling programmes to reduce emissions in the buildings and by educational initiatives. The School hopes that by setting a good example as an institution, it can help to influence the expectations and behaviour of its pupils as future citizens and leaders.

Financial Review

The governors believe that in order for any successful school to maintain, upgrade and improve the facilities it offers there has to be a financial surplus for the required investment in future projects. Therefore financial targets are set to assist in the budgeting process and in monitoring performance.

2022-23 had been an exceptional year for Durston House in terms of income and expenditure with lower than normal pupil numbers and one off unplanned expenditure resulting from the merger with Harvington School. The year had therefore ended with a £210,287 deficit. However the accounts reflected the consolidated position of the two schools with a combined deficit of £631,786.

2023-24 was the first full year for the new merged school, operating as Durston House. Following the merger on 1 September 2023, the school returned to operating on a more even keel, and although pupil numbers and therefore fees income were higher than the previous year, the year ended in a much improved but still small deficit. The main factors behind this were an increase in the bursaries and discounts awarded as well as an increase in overall costs, the most significant of which related to the increase in depreciation as a result of the major works needed following the merger with Harvington, along with some unforeseen cost increases including utilities and the introduction of school lunches.

Reserves Policy

The Trust's unrestricted funds stood at £12.3 million at the year-end, most of which is deployed to fund tangible fixed assets totaling £12 million. At the year end, free reserves stood at £268k. The need for day-to-day working capital is met by careful management of short-term liquid resources. Free reserves are monitored termly by reference to cash flow projections to year-end and for a further five years when major capital projects are being considered. This allowed the governors to plan the investment of substantial sums in new School buildings, the development of the existing buildings in recent years and the 2023 merger with Harvington School. The policy is therefore to continue to build reserves out of annual operating surpluses. The School intends to continue the standard of educational services currently provided.

Plans for future periods

The governors' strategy is to invest in high quality facilities for education. Plans to combine the three sections of the School on the Carlton Road site were presented to staff, parents and the public for consultation in October 2018, submitted for planning permission, but refused. The long term aim remains a new school on the Castlebar Fields site within five to seven years. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided. Future plans are financed primarily from fee income and from reserves. The governors maintain an equitable balance ensuring current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils, just as current pupils benefit today from investment made in the past.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2024

Principal risks and uncertainties

The governors together with the Senior Management Team, have assessed and categorised the risks that the School is, or may become, exposed to ensure that there are satisfactory systems established to mitigate those risks. They believe the principal risks facing the School are the introduction of VAT on school fees, difficulties in attracting key staff to a London school and road safety. Appropriate risk mitigation measures, such as attractive employees benefits and stringent procedures for staff accompanying the pupils walking up to the fields on numerous occasions each day, are taken in every case. Following the announcement that VAT would be imposed on school fees the governors working party met several times to discuss scenario planning and mitigations such as reducing staffing numbers that might need to be considered if more than anticipated pupils withdrew. Following the announcement in July 2024 that VAT on school fees would be introduced in January 2025, much sooner than expected, they met again and after careful consideration agreed that the school could absorb 8% of the VAT meaning that only 12% would have to be passed on to parents. The announcement to parents was well received but it remains to be seen if any will withdraw once faced with the higher fees. The assessment of risks and potential risks are detailed in the Risk Management Risk Assessment and reviewed termly by the Committees. Ms A Collier has the role of overseeing risk management and reporting on it to the full board of governors.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors of Durston House School Educational Trust Limited 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).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 disclose with reasonable accuracy at any time of the financial position of the group and 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 group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- There is no relevant audit information of which the company's auditors are unaware; and
- The governors have taken all steps that 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.

Approved by the Board of Governors at its meeting on 04/12/24

and signed on its behalf by:

A.E. Collier
.....

Ann Collier
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

Opinion

We have audited the financial statements of Durston House School Educational Trust Limited for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 of the parent charitable company's affairs as at 31 August 2024 and of the group's and parent charitable company's net movement in funds, including the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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. The other information comprises the information included in the Governors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (which includes the strategic report and the directors' 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 Governors' Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' 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 accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Governors' Responsibilities set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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.

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Educational (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law, and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in making accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year-end; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.



Tracey Young (Senior Statutory Auditor)
for and on behalf of HaysMac LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 22 December 2024

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)****YEAR ENDED 31 AUGUST 2024**

INCOME AND EXPENDITURE		Unrestricted Funds	
		2024	2023
INCOME FROM	Notes	£	£
Income from charitable activities			
Tuition fees	1	6,498,367	6,254,288
Other educational income	1	699,609	405,023
Voluntary sources			
Donations		-	200
Trading activities			
Lettings income		45,600	45,276
Investments			
Bank interest		145,299	53,809
Total Income		<u>7,388,875</u>	<u>6,758,596</u>
EXPENDITURE ON			
Expenditure on charitable activity			
School operating costs:			
Teaching costs		4,468,999	4,431,309
Premises costs and maintenance		1,296,471	1,143,361
Support costs and governance		1,656,337	1,815,712
Total Expenditure	2	<u>7,421,807</u>	<u>7,390,382</u>
NET MOVEMENT IN FUNDS FOR THE YEAR		(32,932)	(631,786)
Balance brought forward at 1 September 2023		<u>12,316,733</u>	<u>12,948,519</u>
BALANCE CARRIED FORWARD AT 31 AUGUST 2024		<u><u>12,283,801</u></u>	<u><u>12,316,733</u></u>

The Statement of Financial Activities contains all the income and expenditure recognised in the current and preceding year.

All of the charity's activities during the above two financial years derived from continuing activities.

The accompanying notes form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 AUGUST 2024

	Notes	Group and Charity 2024 £	Group and Charity 2023 £
FIXED ASSETS			
Tangible assets	5	12,015,924	11,914,037
CURRENT ASSETS			
Stock		11,588	9,785
Debtors	7	253,546	213,611
Cash at bank and in hand		3,244,120	2,617,824
		<u>3,509,254</u>	<u>2,841,220</u>
CREDITORS: Amounts falling due within one year	8	<u>(2,499,177)</u>	<u>(1,745,024)</u>
NET CURRENT ASSETS		<u>1,010,077</u>	<u>1,096,196</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,026,001	13,010,233
CREDITORS: Amounts falling due after more than one year	8	<u>(742,200)</u>	<u>(693,500)</u>
NET ASSETS		<u><u>12,283,801</u></u>	<u><u>12,316,733</u></u>
UNRESTRICTED FUNDS			
General Fund		<u>12,283,801</u>	<u>12,316,733</u>
TOTAL FUNDS		<u><u>12,283,801</u></u>	<u><u>12,316,733</u></u>

The financial statements were approved and authorised for issue by the Board of Governors on 04/12/24 and were signed below on its behalf by:

A. E. Collier

.....
Ann Collier
Chairman

The accompanying notes form part of these financial statements.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 AUGUST 2024

	2024		2023	
	£	£	£	£
Cash flow from operating activities:				
Net expenditure		(32,932)		(631,786)
Depreciation		620,725		453,617
(Increase) in stock		(1,803)		(9,785)
(Increase) in debtors		(39,935)		(41,287)
Increase in creditors		802,853		(19,416)
Interest receivable		(145,299)		(53,809)
		<u>1,203,609</u>		<u>(302,466)</u>
Net cash (used in) operating activities				
Cash flow from investing activities:				
Interest received	145,299		53,809	
Purchase of tangible fixed assets	(722,612)		(1,372,618)	
		<u>(577,313)</u>		<u>(1,318,809)</u>
Net cash (used in) investing activities				
DECREASE IN CASH AND CASH EQUIVALENTS				
		626,296		(1,621,275)
Cash and cash equivalents at 1 September 2023		2,617,824		4,239,099
Cash and cash equivalents at 31 August 2024		<u><u>3,244,120</u></u>		<u><u>2,617,824</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS				
		2024		2023
		£		£
Cash at bank		164,851		137,221
Deposits		3,079,269		2,480,603
		<u>3,244,120</u>		<u>2,617,824</u>
Cash and cash equivalents at 31 August 2024		<u><u>3,244,120</u></u>		<u><u>2,617,824</u></u>

The accompanying notes form part of these financial statements.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF ACCOUNTING POLICIES

YEAR ENDED 31 AUGUST 2024

Durston House School Educational Trust Limited is a charitable company incorporated in England and Wales. Further company information can be found on page 1. The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 17 September 1985 (company number: 1947995) and registered as a charity on 18 June 1986 (charity number: 294670).

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP) – Second Edition, effective 1 January 2019, the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. The financial statements of the group include the results and balances of Durston House School Educational Trust Limited consolidated on a line-by-line basis with Harvington School Educational Trust Limited. In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for the Durston House School Educational Trust. Harvington School Educational Trust Limited is a charitable company controlled by the governors of Durston House Educational Trust.

Durston House School Limited is dormant and has no assets or liabilities. It is therefore not included in the consolidation.

The Governors, having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, found that there are no material uncertainties and therefore have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable certainty.

c) Expenditure

Expenditure is accounted for on an accruals basis.

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised to directly support the School's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

d) Pension costs

At Durston House School Educational Trust Limited pensions for the teaching staff are provided through the Aviva APTIS Pension Scheme a defined contribution scheme which complies with the requirements for a stakeholder pension scheme.

Harvington School Educational Trust Limited contributed to the Teachers' Pension Scheme, a defined benefit scheme, at rates set by the Scheme Actuary until 31 August 2023. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102 the scheme is accounted for as a defined contribution scheme.

All non-teaching staff, where required by pursuant legislation, are members of a defined contribution scheme which complies with the requirements for a stakeholder pension scheme.

e) Fixed assets

All items of a capital nature with a value of over £1,000 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purposes are:

Freehold land	Freehold land is not depreciated.
Freehold buildings	2%
Freehold improvements	10%
Furniture and equipment	20-33 $\frac{1}{3}$ %
Motor vehicles	20%

Freehold improvements include any capital expenditure relating to land and buildings which is believed not to have a useful economic life of 50 years.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF ACCOUNTING POLICIES (continued)

YEAR ENDED 31 AUGUST 2024

f) Financial Instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

h) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

i) Creditors and Provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

j) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the governors either to further the School's Objects or to benefit the School itself. Where the governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the governors. The use of designated funds remains at the discretion of governors.

k) Critical sources of estimation uncertainty and accounting judgements

In the application of the accounting policies, the governors 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 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 governors, 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.

l) Transfer of control

On 31 August 2023 the trade and assets and liabilities of the Harvington School Educational Trust Limited was transferred to Durston House School Educational Trust Limited at the Governors' best estimate of their fair value at the date of transfer.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

1. CHARITABLE ACTIVITIES				2024	2023
				£	£
Fees receivable consist of:					
School fees				6,748,517	6,465,913
Less: total bursaries, hardship awards and staff discounts				(250,150)	(211,625)
				<u>6,498,367</u>	<u>6,254,288</u>
Other educational income					
After school care				58,279	37,768
Extras				587,476	259,755
Acceptance fees not returned				7,200	39,100
Registration fees				18,800	13,520
Test fees				-	1,700
Outings income				16,606	45,803
Sundry income				11,248	7,377
				<u>699,609</u>	<u>405,023</u>
2. TOTAL EXPENDITURE				2024	
	Staff costs	Depreciation	Other costs	Total	
	£	£	£	£	
2024 Charitable activity					
School Operating Costs:					
Teaching costs	3,524,069	2,630	942,300	4,468,999	
Premises and maintenance costs	191,797	618,095	486,579	1,296,471	
Support and governance costs	1,264,512	-	391,825	1,656,337	
	<u>4,980,378</u>	<u>620,725</u>	<u>1,820,704</u>	<u>7,421,807</u>	
	<u><u>4,980,378</u></u>	<u><u>620,725</u></u>	<u><u>1,820,704</u></u>	<u><u>7,421,807</u></u>	
				2023	
	Staff costs	Depreciation	Other costs	Total	
	£	£	£	£	
2023 Charitable activity					
School Operating Costs:					
Teaching costs	3,839,586	-	591,723	4,431,309	
Premises and maintenance costs	211,072	453,617	478,672	1,143,361	
Support and governance costs	1,171,427	-	644,285	1,815,712	
	<u>5,222,085</u>	<u>453,617</u>	<u>1,714,680</u>	<u>7,390,382</u>	
	<u><u>5,222,085</u></u>	<u><u>453,617</u></u>	<u><u>1,714,680</u></u>	<u><u>7,390,382</u></u>	
				2024	2023
				£	£
Governance included in support costs					
Remuneration paid to auditor for audit services				24,030	33,250
				<u>24,030</u>	<u>33,250</u>
				<u><u>24,030</u></u>	<u><u>33,250</u></u>

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2024

2. TOTAL EXPENDITURE (continued)

	2024	2023
	£	£
Total expenditure includes the following		
Auditors remuneration for audit - Durston House Educational Trust	24,030	18,900
- Harvington School Educational Trust	-	14,350
Depreciation – owned fixed assets	620,725	453,617
	<u> </u>	<u> </u>

3. GOVERNORS' REMUNERATION

The governors received no remuneration during this or the previous year. No governors received reimbursement of travel expenses in 2023-24 (2023: Nil). During the year the governors purchased indemnity insurance costing £2,784 (2023: £2,652).

4. EMPLOYEES

	2024		2023	
	No.	Full time Equivalents	No.	Full time Equivalents
The average number of employees (full and part time) analysed by function was:				
Teaching - full time	53	53	60	60
- part time	4	2.5	5	2.6
Premises - full time	4	4	5	5
Support - full time	16	16	20	20
- part time	17	10	25	13.2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	94	85.5	115	100.8
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Teaching staff numbers includes teachers and teaching assistants.

	2024	2023
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	3,966,692	4,192,380
Social Security costs	408,559	431,032
Pension costs	605,127	598,673
	<u> </u>	<u> </u>
	4,980,378	5,222,085
	<u> </u>	<u> </u>

Key management personnel remuneration for the period totalled £315,386 (2023: £325,563)

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2024

4. EMPLOYEES (continued)

The number of employees whose emoluments exceeded £60,000 excluding pension contributions was:

	2024 No.	2023 No.
£60,001 - £70,000	1	6
£70,001 - £80,000	5	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
£140,001 - £150,000	1	1
	<u> </u>	<u> </u>

Defined contribution pension contributions for eight employees whose emoluments exceeded £60,000 were £110,809 (2023: £119,479).

5. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

	Freehold land and buildings £	Improvement to freehold premises £	Furniture and equipment £	Motor Vehicles £	Total £
Cost					
At 31 August 2023	11,217,197	5,369,105	412,109	-	16,998,411
Additions	-	632,537	69,927	20,148	722,612
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2024	11,217,197	6,001,642	482,036	20,148	17,721,023
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 31 August 2023	2,588,322	2,312,101	183,951	-	5,084,374
Charge for the year	144,151	388,916	85,028	2,630	620,725
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2024	2,732,473	2,701,017	268,979	2,630	5,705,099
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value					
At 31 August 2024	8,484,724	3,300,625	213,057	17,518	12,015,924
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	8,628,875	3,057,004	228,158	-	11,914,037
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Included in freehold land and buildings is land with a book value of £3,278,666 which is not depreciated.

6. INVESTMENT IN SUBSIDIARY

The company has an investment in a subsidiary undertaking which comprises a holding of 100 ordinary shares of £1 each, being the whole of the issued share capital of Durston House School Limited, a company registered in England. The subsidiary undertaking has been dormant throughout the year and the preceding year and has no assets or liabilities.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2024

7. DEBTORS	Group and Charity	Group and Charity
	2024 £	2023 £
Fee debtors	141,791	77,967
Pupil disbursements	9,159	51,944
Other debtors	20,530	11,382
Prepayments	65,009	68,088
Accrued income	17,057	4,230
	<u>253,546</u>	<u>213,611</u>
	<u><u>253,546</u></u>	<u><u>213,611</u></u>
8. CREDITORS	Group and Charity	Group and Charity
	2024 £	2023 £
Amounts falling due within one year		
Bank loans and overdrafts	-	27,532
Acceptance fees	43,500	43,200
Fees in advance	1,795,425	682,298
Trade creditors	289,839	514,617
Other taxes and social security	126,339	215,749
Other creditors and accruals	244,074	261,628
	<u>2,499,177</u>	<u>1,745,024</u>
	<u><u>2,499,177</u></u>	<u><u>1,745,024</u></u>
Amounts falling due in more than one year		
Acceptance fees	742,200	693,500
	<u><u>742,200</u></u>	<u><u>693,500</u></u>

9. LIABILITY OF THE MEMBERS

The company is limited by guarantee. The maximum liability of each member, in the event of the company winding up due to insufficient funds, is £1. The company had fourteen members as at 31 August 2024 all of whom were directors.

10. PENSION COMMITMENTS

Teaching staff - Durston House

The school's contributions to the pension scheme for teaching staff in the year were £459,595(2023: £392,270)

Non-teaching staff – Durston House

The school's contributions to the pension schemes of non-teaching staff in the year were £145,532 (2023: £103,085).

Teaching staff – Harvington

Harvington School Educational Trust Limited participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff until 31 August 2023. There were no contributions payable to the TPS in 2024 (2023: £91,608).

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2024

11. TRANSFER OF ASSETS AND LIABILITIES OF HARVINGTON SCHOOL EDUCATIONAL TRUST LIMITED TO DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

On 31 August 2023 the trade and assets and liabilities of Harvington School Educational Trust Limited were transferred to Durston House School Educational Trust Limited. The following table shows the net assets transferred to Durston House School Educational Trust Limited on 31 August 2023:

	£
Tangible fixed assets	5,806,826
Other net liabilities	(1,427,286)
	<hr/>
Total net assets	3,193,765
	<hr/> <hr/>

12. SUBSIDIARY CHARITY

Durston House School Educational Trust Limited became the sole member of Harvington School Educational Trust Limited, a charitable company registered in England and Wales (Company number: 00979140, Charity number: 312621), on 23 April 2022. Harvington School Educational Trust Limited has been consolidated into these accounts. A summary of the Statement of Financial Activities and Balance Sheet are given below:

Statement of Financial Activities for the year ended 31 August:	2024	2023
	£	£
Income	-	1,136,249
Expenditure	-	(1,562,637)
	<hr/>	<hr/>
Deficit for the year	-	(426,388)
Transfer of assets and liabilities to Durston House	-	(3,193,765)
Total funds brought forward	-	3,620,153
	<hr/>	<hr/>
Total funds carried forward	-	-
	<hr/> <hr/>	<hr/> <hr/>
Balance Sheet as at 31 August:		
Tangible fixed assets	-	-
Current assets	-	25,941
Current liabilities	-	(25,941)
Long term liabilities	-	-
	<hr/>	<hr/>
Accumulated Funds	-	-
	<hr/> <hr/>	<hr/> <hr/>

13. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year. (2023: Nil).

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 294670

Accounts

**DURSTON HOUSE SCHOOL
EDUCATIONAL TRUST LIMITED
(Limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

Registered Company Number: 1947995
Registered Charity Number: 294670

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

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DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2023

REFERENCE AND ADMINISTRATIVE INFORMATION

GOVERNORS

Mr S A Armstrong (Resigned 1 July 2023)
Mr P Carpentier
Ms A Collier
Mr J Gill (Appointed 1 September 2023)
Mr K S Girn
Mr D G Henshall (Resigned 31 August 2023)
Mrs S-A Huang
Ms P J Honigsberger (Resigned 18 August 2023, Re-appointed
1 November 2023)
Miss H Kaur
Mr W Key (Appointed 1 September 2023)
Mrs Isabella Kurek-Smith (Appointed 6 February 2023)
Mr K J Mahoney (Chairman)
Mr L Mak (Appointed 1 September 2023)
Dr R Maloney (Resigned 29 September 2023)
Mr M Mudan (Resigned 6 October 2023)
Mr B Purkiss
Mr F Sayood (Appointed 6 October 2023)
Mr A Sokolowski (Appointed 1 September 2023)

KEY MANAGEMENT PERSONNEL

HEADMASTER Mr K H G Entwisle

BURSAR AND COMPANY SECRETARY Mrs J M Twyford

REGISTERED OFFICE

12 Castlebar Road
London W5 2DR

ARCHITECT

ADP Architecture Ltd
150 Waterloo Road
London SE1 8SB

AUDITOR

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

BANK

The Co-operative Bank
16-18 New Broadway
London W5 2XL

CHARTERED SURVEYOR

Gerald Eve
7 Vere Street
London W1M 0JB

INSURANCE BROKER

Hettle Andrews & Associates Ltd
2 Brunswick Square
Birmingham B1 2LP

SOLICITOR

Blandy & Blandy LLP
One Friar Street
Reading RG1 1DA

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2023

The governors, who are also the trustees and directors of the charitable company Durston House School Educational Trust Limited ("the Trust"), present their report and the audited financial statements for the year ended 31 August 2023 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the Charities SORP - Second Edition (effective 1 January 2019).

GOVERNING DOCUMENTS

Durston House School Educational Trust Limited was set up under its Memorandum and Articles of Association dated 17 September 1985 as a company limited by guarantee, number 1947995 and also a charity with the Charity Commission, number 294670. The School, previously privately owned, was established in 1886.

AIM

The School's strategic aim, as a charitable independent school operating for the public benefit, is the attainment of the highest academic levels with the benefit of a comprehensive extra-curricular programme.

OBJECTIVES

The principal object of the School is to promote and provide for the advancement of education for boys and girls aged from 4 to 13 years.

In the furtherance of this object the governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Objectives for the Year

The principal objectives for the year were:

- to secure one hundred per cent success with regard to Year 8 pupils' entry into senior schools and academic scholarships results in keeping with the school's academic expectations;
- to continue and, where possible, increase the provision of means-tested bursaries to facilitate wider access to the provision of education at Durston House;
- to develop the School's profile, with regard to public benefit, in a manner that will encourage a greater level of involvement in the local community;
- to prepare for the merger with Harvington School and its refurbishment in preparation for becoming a co-educational school in September 2023
- to continue the development of plans to combine the three sections of the school on to the Carlton Road site.

ETHOS, STRATEGY AND POLICIES

Ethos

Durston House has been a preparatory school for boys since 1886. On 1 September 2023 the school became co-educational when they merged with Harvington School, the girls school next door. It welcomes those from all ethnic, cultural and religious backgrounds. The School is proud of its diversity. It is a community in which mutual respect and understanding, fairness and opportunities for all are promoted within the framework of its Christian foundation.

Strategy

The governors are responsible for setting strategy. The focus of their strategy is on the development of the pupils, their continued high levels of academic and co-curricular achievement and the broadening of access to the education the school provides. In taking this strategy forward the governors:

- Ensure the range of extra-curricular activities available to pupils is stimulating and challenging;
- Invest in technology and the infrastructure of the school; and
- Develop methods for awarding bursaries to ensure wider access to pupils from all backgrounds.

Durston House School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims and welcomes pupils from all backgrounds. Fees are set at a level to ensure the financial viability of the school.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2023

Access Policy

It is important that access to the education offered is not restricted to those who can afford full fees. The governors believe pupils benefit from learning within a diverse community. The governors will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Bursary policy

Durston House bursary awards are available to all who meet its general entry requirements and are made solely, and subject to the entry requirements, on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. The bursary awards range from 50% to 100% remission of fees.

Assistance for staff

As part of the emphasis on attracting and retaining high calibre staff, the school offers a 50% discount to staff members who choose to educate their children at Durston House.

Community access

The governors see Durston House School as a part of a wider community. Where the School can assist the community without detriment to advancing the education of its pupils the governors are delighted to do so.

A Register of Public Benefit Initiatives records appropriate ventures, including targets for the provision of means tested bursaries as a proportion of the total number of pupils on role, and the school's links with the local community, including community use of the School's playing fields.

The Head of Complementary Curriculum acts as the charities coordinator arranging various activities during the year, supported by parents and pupils, to raise funds for other organisations. The nominated charities for the year were Ealing Soup Kitchen and Water Aid.

ESTATES DEVELOPMENT

The planning application for the development plans to combine the three sections of the school on to the Carlton Road site was submitted to the local planning authority in January 2020 and granted approval. Subsequently, as required, it was submitted to the Greater London Authority, where in July 2020, it was refused. The governors considered their options and agreed that the plans should be revised and updated to address the points on which it was refused. The updated planning application will be submitted in due course.

An extensive refurbishment of the Harvington School buildings was undertaken in preparation for the merger of the two schools in September 2023.

The programme of routine maintenance to ensure high standards are maintained across all school sites continued.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The Annual General Meeting is held in March each year. The governors of the School, who are also directors of the Company, are appointed in accordance with the Memorandum and Articles of Association. Responsibility for the overall management and organisation of the School rests with the governors, who meet at least on a termly basis. They are supported in carrying out their responsibilities by the Education and Welfare, Estates Development, Finance and Governance Committees, meeting termly.

Membership of the five Committees during 2022-23 was as follows – Education and Welfare: B Purkiss (Chair), Ms A Collier, D Henshall and Mrs S-A Huang; Estates Development: K J Mahoney (Chair), S A Armstrong, R Maloney and M Mudan; Finance: Ms P J Honigsberger (Chair), Mr K S Girn, and K J Mahoney; Governance: Ms A Collier (Chair), D Henshall and Miss H Kaur. Harvington School has its own Governing Body comprising Mrs S A Armstrong, Ms J Honigsberger and Mrs R Reece, Chairman.

Operational Management

The task of running both schools on a day-to-day basis was delegated to the Headmaster and Bursar. The Headmaster and the Bursar attend the governors' meetings of both schools and those of the Durston House Education and Welfare, Estates Development, Finance and Governance Committees. The Headmaster is assisted by the Durston House Senior Management Team comprising the Bursar, the Deputy Head, the Director of Studies and Head of Co-Curricular who also attend meetings of the Education and Welfare Committee, the Head of Studies Administration, the Head of Junior School, the Head of Pre-Prep and the Harvington Senior Management team comprising the Bursar, the Deputy Head, the Director of Studies and the Nursery Manager.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2023

Governor Recruitment, Induction and Training

The Governance Committee regularly reviews the mix of skills that is available to the Board. New governors are appointed by the Board until the date of the next Annual General Meeting at which they are eligible for election for a period of three years. All new governors receive an induction pack, which explains their role, the role of the Board, and details of Charity Commission and Companies House requirements. They are assigned a mentor, offered a tour of the School and given background information on previous Board decisions, Board papers, current financial position, information about the School and future developments. Governors attend a range of courses aimed at keeping them up to date with matters relevant to their roles, including Safeguarding training. These are provided by the Association of Governing Bodies of Independent Schools (AGBIS), Haysmacintyre LLP, the Trust's auditors, and Graffham Consulting Ltd. One governor spends a day in school each term shadowing a member of staff or department.

Governors' Interests

None of the governors has a financial or beneficial interest in the trust.

Remuneration of Key Management Personnel

Remuneration policy for key management personnel is set by the governors. The appropriateness and relevance of the remuneration policy, including reference to comparisons with other independent schools is considered, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

STRATEGIC REPORT

Achievements and Performance – Durston House School

Pupils

At the beginning of the year there were 329 pupils on roll. During the course of the year five pupils left the School and four joined; we therefore ended the school year with 328 pupils.

All 22 boys in Year 8 scored sufficiently well either in Common Entrance or through Year 6 deferred entry (or individual school entrance examinations) to gain places at their chosen schools at 13+. Four awards were offered; one John Lyon School Academic and STEAM Scholarship, one Foundation Academic Scholarship to St Paul's School, an Academic Scholarship to Hampton School and an Academic Scholarship to King's College Winchester. Year 8 pupils leaving in July 2023 gained entry to the following schools: eleven to St Paul's School, three to Hampton School, three to Merchant Taylor's School, and one each to John Lyon School, King's College Wimbledon, Epsom College, Ealing Independent College and Westminster. 17 pupils left at 11+, gaining entry to the following schools: five to St Benedict's School, four to Ada Lovelace School, three to Kew House, 2 to the Leys Cambridge and one each to Beacon School, Wilson's School and Kings College School, Cascais.

Bursaries

Two pupils were supported by Durston House School during the year, one with a 100% bursary and one with a 35% bursary.

Staff

The staff – full and part-time, teaching and support – numbered 90 (78 full-time equivalents). The Board of Governors wish to express their thanks to the Headmaster and staff for their contributions and efforts during the year.

Pastoral Care

Durston House is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The School has 'vertical grouping' within the organisation of the four 'Houses' and 'Vertical Group' meetings at which younger and older pupils work together on a number of projects including workshops on anti-bullying.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2023

Co-curricular activities:

Sport

Sport continued to play a full part in the life of the School. Saturday and Sunday morning football and rugby tournaments at the Swyncombe Playing Field were well attended by visiting schools and large numbers of parents. Athletic sports at the Perivale Stadium were a highlight of the summer term. Pupils are encouraged to participate in team sports – notably football, rugby union, hockey and cricket – at a number of ability levels within their age groups.

Music

Many of the pupils learn at least one musical instrument and belong to various ensemble groups. Pupils in Years 3-8 are invited to perform as solo artists or ensembles at the Annual Music. The Junior School and Upper & Middle School choirs also perform at this concert and the annual Carol Service.

Drama

All pupils have the opportunity to take part in small scale drama activities and/or major productions. End of term highlights were the Pre-Prep's 'The Magical Christmas Tree', the Junior School's 'Hagbane's Doom' and the Year 8 production of 'Aladdin'.

Trips and Outings

The extension of the curriculum beyond the classroom continued to feature prominently in the school calendar. All pupils benefited from a large number of one-day trips to places of educational and cultural interest. The Trips Policy includes funded residential trips for all pupils in Years 4 to 8.

Environmental Initiatives: Cutting the 'carbon footprint'

The School continues to take very seriously the importance of environmental sustainability in its day-to-day operations. This is demonstrated by many practical environmental and recycling programmes to reduce emissions in the buildings and by educational initiatives. The School hopes that by setting a good example as an institution, it can help to influence the expectations and behaviour of its pupils as future citizens and leaders.

Harvington School

Following the opportunity presented, the School entered into a Change of Control agreement with Harvington School in April 2022 in which Durston House became the sole member of Harvington School. The Headmistress left the School at the end of the Spring Term 2022. The Change of Control Agreement was entered into at the start of the Summer Term 2022. Durston House provided financing, via a commercial loan, for Harvington School to cover its working capital requirements until the end of the academic year 2022-23, secured by way of a legal charge over the Company's freehold interest, Nos. 20, 22 and 24 Castlebar Road, Ealing, London W5 2DS. Harvington School closed on 31 August 2023. The assets and liabilities have been transferred over to Durston House. Some of the Harvington staff and pupils have transferred over to Durston House. Durston House will become a co-educational school on 1 September 2023.

Achievement and Performance – Harvington School

The consolidated accounts reflect Harvington School's 2022-23 results. Mr G Entwisle, and Mrs J Twyford, the Headmaster and Bursar of Durston House School managed the transition and smooth handover of the school. The School had 82 pupils on the roll. 30 pupils were supported by staff, sibling and/or hardship discounts, scholarships and competition bursaries. All 6 pupils in Year 6 gained places at their chosen schools.

Financial Review

The governors believe that in order for any successful school to maintain, upgrade and improve the facilities it offers there has to be a financial surplus for the required investment in future projects. Therefore financial targets are set to assist in the budgeting process and in monitoring performance.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2023

2022-23 was an exceptional year for Durston House in terms of income and expenditure with lower than normal pupil numbers and one off unplanned expenditure. The year therefore ended in deficit. The main factors behind this were:

- a) A decrease in fees income of £7,364 as a result of lower pupil numbers
- b) An increase in overall staff costs of £76,533
- c) A general increase in the cost of marketing and utilities of £42,678
- d) The cost of redundancy payments of £113,432 in relation to the merger with Harvington School.

2022-23 was the last trading year for Harvington School and, with lower than normal pupil numbers and unplanned exceptional expenditure the year ended in deficit. The main factors behind this were:

- a) A decrease in fees income of £59,423 as a result of a 5% fees increase and lower pupil numbers
- b) A decrease in overall staff costs of £64,032
- c) An increase in the cost of catering and loan interest of £145,173

The result for the year ended 31 August 2022 includes the transfer of net assets of Harvington School of £5,051,938 (as explained in note 13). The result for the year excluding this one off transfer was £482,785 deficit, compared to the deficit of £631,786 for the year ended 31 August 2023.

Reserves Policy

The Trust's unrestricted funds stood at £12.3 million at the year-end, most of which is deployed to fund tangible fixed assets totaling £11.9 million. At the year end, free reserves stood at £0.4 million. The need for day-to-day working capital is met by careful management of short-term liquid resources. Free reserves are monitored termly by reference to cash flow projections to year-end and for a further five years when major capital projects are being considered. This allowed the governors to plan the investment of substantial sums in new School buildings and the development of the existing buildings in recent years and the 2023 merger with Harvington School. The policy is therefore to continue to build reserves out of annual operating surpluses. The School intends to continue the standard of educational services currently provided.

Plans for future periods

The governors' strategy is to invest in high quality facilities for education. Plans to combine the three sections of the School on the Carlton Road site were presented to staff, parents and the public for consultation in October 2018, submitted for planning permission, but refused. The long term aim remains a new school on the Castlebar Fields site within five to seven years.

Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided. Future plans are financed primarily from fee income and from reserves. The governors maintain an equitable balance ensuring current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils, just as current pupils benefit today from investment made in the past.

Principal risks and uncertainties

The governors together with the Senior Management Team, have assessed and categorised the risks that the School is, or may become, exposed to ensure that there are satisfactory systems established to mitigate those risks. They believe the principal risks facing the School are the difficulties in attracting key staff to a London school, the effect of managing compliance and the current political climate. Appropriate risk mitigation measures, such as attractive employees benefits, the appointment of a Compliance Manager and scenario planning for the introduction of VAT on school fees, are taken in every case. The assessment of risks and potential risks are detailed in the Risk Management Risk Assessment and reviewed termly by the Committees. Ms A Collier has the role of overseeing risk management and reporting on it to the full board of governors.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2023

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors of Durston House School Educational Trust Limited 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).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 disclose with reasonable accuracy at any time of the financial position of the group and 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 group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- There is no relevant audit information of which the company's auditors are unaware; and
- The governors have taken all steps that 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.

Approved by the Board of Governors at its meeting on 19/03/24..... 2024 and signed on its behalf by:

A Collier
.....

Ann Collier
Co-Chairman

Kevin Mahoney
.....

Kevin Mahoney
Co-Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

Opinion

We have audited the financial statements of Durston House School Educational Trust Limited for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 of the parent charitable company's affairs as at 31 August 2023 and of the group's and parent charitable company's net movement in funds, including the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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. The other information comprises the information included in the Governors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (which includes the strategic report and the directors' 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 Governors' Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' report).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

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

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Governors' Responsibilities set out on pages 6 and 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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.

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Educational (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law, and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in making accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year-end; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

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.



**Tracey Young (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditors**

**10 Queen Street Place
London
EC4R 1AG**

Date: 29 May 2024

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 AUGUST 2023

INCOME AND EXPENDITURE		Unrestricted Funds	
		2023	2022
INCOME FROM	Notes	£	£
Income from charitable activities			
Tuition fees	1	6,254,288	5,613,765
Other educational income	1	405,023	329,660
Voluntary sources			
Donations		200	2,025
Trading activities			
Lettings income		45,276	53,959
Investments			
Bank interest		53,809	23,714
Loan interest		-	2,722
Transfer of net assets of Harvington	12	-	5,051,938
Total Income		<u>6,758,596</u>	<u>11,077,783</u>
EXPENDITURE ON			
Expenditure on charitable activity			
School operating costs:			
Teaching costs		4,431,309	3,911,254
Premises costs and maintenance		1,143,361	1,181,305
Support costs and governance		1,815,712	1,416,071
Total Expenditure	2	<u>7,390,382</u>	<u>6,508,630</u>
NET MOVEMENT IN FUNDS FOR THE YEAR		(631,786)	4,569,153
Balance brought forward at 1 September 2022		12,948,519	8,379,366
BALANCE CARRIED FORWARD AT 31 AUGUST 2023		<u><u>12,316,733</u></u>	<u><u>12,948,519</u></u>

The Statement of Financial Activities contains all the income and expenditure recognised in the current and preceding year.

All of the charity's activities during the above two financial years derived from continuing activities.

The accompanying notes form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 AUGUST 2023

	Notes	2023 £	Group 2022 £	2023 £	Charity 2022 £
FIXED ASSETS					
Tangible assets	5	11,914,037	10,995,036	11,914,037	5,122,386
CURRENT ASSETS					
Stock		9,785	-	9,785	
Debtors	7	213,611	172,324	239,552	516,740
Cash at bank and in hand		2,617,824	4,239,099	2,591,883	4,185,289
		<u>2,841,220</u>	<u>4,411,423</u>	<u>2,841,220</u>	<u>4,702,029</u>
CREDITORS: Amounts falling due within one year	8	<u>(1,745,024)</u>	<u>(1,719,090)</u>	<u>(1,745,024)</u>	<u>(1,064,533)</u>
NET CURRENT ASSETS		<u>1,096,196</u>	<u>2,692,333</u>	<u>1,096,196</u>	<u>3,637,496</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,010,233</u>	<u>13,687,369</u>	<u>13,010,233</u>	<u>8,759,882</u>
CREDITORS: Amounts falling due after more than one year	8	<u>(693,500)</u>	<u>(738,850)</u>	<u>(693,500)</u>	<u>(612,400)</u>
NET ASSETS		<u><u>12,316,733</u></u>	<u><u>12,948,519</u></u>	<u><u>12,316,733</u></u>	<u><u>8,147,482</u></u>
UNRESTRICTED FUNDS					
General Fund	9	<u>12,316,733</u>	<u>12,948,519</u>	<u>12,316,733</u>	<u>8,147,482</u>
TOTAL FUNDS		<u><u>12,316,733</u></u>	<u><u>12,948,519</u></u>	<u><u>12,316,733</u></u>	<u><u>8,147,482</u></u>

The surplus of the parent charitable company before consolidation was £4,169,252 (2022: deficit of £231,884).

The financial statements were approved and authorised for issue by the Board of Governors on 19/03/24.....2024 and were signed below on its behalf by:

A Collier

Ann Collier
Co-Chairman

Kevin Mahoney

Kevin Mahoney
Co-Chairman

The accompanying notes form part of these financial statements.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 AUGUST 2023

	2023		2022	
	£	£	£	£
Cash flow from operating activities:				
Net income		(631,786)		4,569,153
Transfer of net assets from Harvington		-		(5,051,938)
Depreciation		453,617		418,231
Increase in stock		(9,785)		-
(Increase)/decrease in debtors		(41,287)		1,657
(Increase) in creditors		(19,416)		(302,938)
Interest receivable		(53,809)		(26,436)
Net cash (used in) operating activities		<u>(302,466)</u>		<u>(392,271)</u>
Cash flow from investing activities:				
Interest received	53,809		26,436	
Purchase of tangible fixed assets	(1,372,618)		(64,773)	
Cash received on merger with Harvington	-		187,841	
Net cash (used in)/provided by investing activities		<u>(1,318,809)</u>		<u>149,504</u>
DECREASE IN CASH AND CASH EQUIVALENTS		<u>(1,621,275)</u>		<u>(242,767)</u>
Cash and cash equivalents at 1 September 2022		4,239,099		4,481,866
Cash and cash equivalents at 31 August 2023		<u><u>2,617,824</u></u>		<u><u>4,239,099</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS				
		2023		2022
		£		£
Cash at bank		137,221		175,099
Deposits		2,480,603		4,064,000
Cash and cash equivalents at 31 August 2023		<u><u>2,617,824</u></u>		<u><u>4,239,099</u></u>

The accompanying notes form part of these financial statements.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF ACCOUNTING POLICIES

YEAR ENDED 31 AUGUST 2022

Durston House School Educational Trust Limited is a charitable company incorporated in England and Wales. Further company information can be found on page 1. The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 17 September 1985 (company number: 1947995) and registered as a charity on 18 June 1986 (charity number: 294670).

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP) – Second Edition, effective 1 January 2019, the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. The financial statements of the group include the results and balances of Durston House School Educational Trust Limited consolidated on a line-by-line basis with Harvington School Educational Trust Limited. In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for the Durston House School Educational Trust. Harvington School Educational Trust Limited is a charitable company controlled by the governors of Durston House Educational Trust.

Durston House School Limited is dormant and has no assets or liabilities. It is therefore not included in the consolidation.

The Governors, having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, found that there are no material uncertainties and therefore have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable certainty.

c) Expenditure

Expenditure is accounted for on an accruals basis.

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised to directly support the School's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

d) Pension costs

At Durston House School Educational Trust Limited pensions for the teaching staff are provided through the Aviva APTIS Pension Scheme a defined contribution scheme which complies with the requirements for a stakeholder pension scheme.

Harvington School Educational Trust Limited contributes to the Teachers' Pension Scheme, a defined benefit scheme, at rates set by the Scheme Actuary. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102 the scheme is accounted for as a defined contribution scheme.

All non-teaching staff, where required by pursuant legislation, are members of a defined contribution scheme which complies with the requirements for a stakeholder pension scheme.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF ACCOUNTING POLICIES (continued)

YEAR ENDED 31 AUGUST 2022

e) Fixed assets

All items of a capital nature with a value of over £1,000 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purposes are:

Freehold land	Freehold land is not depreciated.
Freehold buildings	2%
Freehold improvements	10%
Furniture and equipment	20-33 $\frac{1}{3}$ %
Motor vehicles	20%

Freehold improvements include any capital expenditure relating to land and buildings which is believed not to have a useful economic life of 50 years.

The freehold property of Harvington School Educational Trust Limited is included at fair value at the date of the merger less depreciation from this date.

f) Financial Instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

h) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

i) Creditors and Provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

j) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the governors either to further the School's Objects or to benefit the School itself. Where the governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the governors. The use of designated funds remains at the discretion of governors.

k) Critical sources of estimation uncertainty and accounting judgements

In the application of the accounting policies, the governors 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 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 governors, 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.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

l) Transfer of control

The assets and liabilities transferred from Harvington School Educational Trust Limited on 23 April 2022 have been recognised at the governors' best estimate of their fair value on the date of transfer.

On 31 August 2023 the trade and assets and liabilities of the Harvington School Educational Trust Limited was transferred to Durston House School Educational Trust Limited at the governors' best estimate of their fair value at the date of transfer.

1. CHARITABLE ACTIVITIES				2023	2022
				£	£
Fees receivable consist of:					
School fees				6,465,913	5,719,569
Less: total bursaries, hardship awards and staff discounts				(211,625)	(105,804)
				<u>6,254,288</u>	<u>5,613,765</u>
Other educational income					
After school care				37,768	40,581
Extras				259,755	251,415
Acceptance fees not returned				39,100	18,000
Registration fees				13,520	10,400
Test fees				1,700	3,100
Outings income				45,803	-
Sundry income				7,378	6,164
				<u>405,024</u>	<u>329,660</u>
2. TOTAL EXPENDITURE				2023	
	Staff costs	Depreciation	Other costs	Total	
	£	£	£	£	
2023 Charitable activity					
School Operating Costs:					
Teaching costs	3,839,586	-	591,723	4,431,309	
Premises and maintenance costs	211,072	453,617	478,672	1,143,361	
Support and governance costs	1,171,427	-	644,285	1,815,712	
	<u>5,222,085</u>	<u>453,617</u>	<u>1,714,680</u>	<u>7,390,382</u>	
	<u><u>5,222,085</u></u>	<u><u>453,617</u></u>	<u><u>1,714,680</u></u>	<u><u>7,390,382</u></u>	
	Staff costs	Depreciation	Other costs	Total	2022
	£	£	£	£	£
2022 Charitable activity					
School Operating Costs:					
Teaching costs	3,375,374	-	535,880	3,911,254	
Premises and maintenance costs	171,519	418,231	591,555	1,181,305	
Support and governance costs	980,340	-	435,731	1,416,071	
	<u>4,527,233</u>	<u>418,231</u>	<u>1,563,166</u>	<u>6,508,630</u>	
	<u><u>4,527,233</u></u>	<u><u>418,231</u></u>	<u><u>1,563,166</u></u>	<u><u>6,508,630</u></u>	

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2023

2. TOTAL EXPENDITURE (continued)

	2023	2022
	£	£
Governance included in support costs		
Remuneration paid to auditor for audit services	33,250	29,950
	<u>33,250</u>	<u>29,950</u>

	2023	2022
	£	£
Total expenditure includes the following		
Auditors remuneration for audit - Durston House Educational Trust	18,900	17,450
- Harvington School Educational Trust	14,350	12,500
Depreciation – owned fixed assets	<u>453,617</u>	<u>410,110</u>

3. GOVERNORS' REMUNERATION

The governors received no remuneration during this or the previous year. No governors received reimbursement of travel expenses in 2022-23 (2022: £75). During the year the governors purchased indemnity insurance costing £2,652 (2022: £2,410).

4. EMPLOYEES

	2023		2022	
	No.	Full time Equivalents	No.	Full time Equivalents
The average number of employees (full and part time) analysed by function was:				
Teaching - full time	60	60	49	49
- part time	5	2.6	4	3
Premises - full time	5	5	4	4
Support - full time	20	20	17	17
- part time	25	13.2	23	12
	<u>115</u>	<u>100.8</u>	<u>97</u>	<u>85</u>

Teaching staff numbers includes teachers and teaching assistants.

	2023	2022
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	4,192,380	3,601,663
Social Security costs	431,032	380,053
Pension costs	598,673	545,517
	<u>5,222,085</u>	<u>4,527,233</u>

Key management personnel remuneration for the period totalled £325,563 (2022: £469,545)

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2023

4. EMPLOYEES (continued)

The number of employees whose emoluments exceeded £60,000 excluding pension contributions was:

	2023 No.	2022 No.
£60,001 - £70,000	6	4
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£140,001 - £150,000	1	1
	<u> </u>	<u> </u>

Defined benefits pension contributions for employees whose emoluments exceeded £60,000 were £ Nil (2022: £Nil).

Defined contribution pension contributions for nine employees were £119,479 (2022: £109,841).

One termination payment of £30,000. Durston House made voluntary redundancy payments of £113,432 to 20 staff and Harvington School made voluntary redundancy payments of £91,340 to 6 staff. There were no amounts outstanding at year end.

5. TANGIBLE FIXED ASSETS (GROUP)

	Freehold land and buildings £	Improvement to freehold premises £	Furniture and equipment £	Total £
Cost				
At 31 August 2022	11,217,197	4,212,070	414,466	15,843,733
Additions	-	1,218,750	153,868	1,372,618
Disposals	-	(61,715)	(156,225)	(217,940)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	11,217,197	5,369,105	412,109	16,998,411
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 31 August 2022	2,451,244	2,107,985	289,468	4,848,697
Charge for the year	137,078	265,831	50,708	453,617
Disposals	-	(61,715)	(156,225)	(217,940)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	2,588,322	2,312,101	183,951	5,084,374
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value				
At 31 August 2023	8,628,875	3,057,004	228,158	11,914,037
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	8,765,953	2,104,085	124,998	10,995,036
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Included in freehold land and buildings is land with a book value of £1,389,847 which is not depreciated.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2023

5. TANGIBLE FIXED ASSETS (CHARITY ONLY)

	Freehold land and buildings £	Improvement to freehold premises £	Furniture and equipment £	Total £
Cost				
At 31 August 2022	5,357,197	4,212,070	386,578	9,955,845
Additions	-	1,218,750	145,386	1,364,136
Disposals	-	(61,715)	(156,225)	(217,940)
Transferred from Harvington	5,796,000	-	13,051	5,809,051
	<u>11,153,197</u>	<u>5,369,105</u>	<u>388,790</u>	<u>16,911,092</u>
Depreciation				
At 31 August 2022	2,436,006	2,107,985	289,468	4,833,459
Charge for the year	73,078	265,831	42,628	381,537
Disposals	-	(61,715)	(156,225)	(217,940)
	<u>2,509,084</u>	<u>2,312,101</u>	<u>175,870</u>	<u>4,997,055</u>
Net Book Value				
At 31 August 2023	<u>8,644,113</u>	<u>3,057,004</u>	<u>212,920</u>	<u>11,914,037</u>
At 31 August 2022	<u>2,921,191</u>	<u>2,104,085</u>	<u>97,111</u>	<u>5,122,387</u>

6. INVESTMENT IN SUBSIDIARY

The company has an investment in a subsidiary undertaking which comprises a holding of 100 ordinary shares of £1 each, being the whole of the issued share capital of Durston House School Limited, a company registered in England. The subsidiary undertaking has been dormant throughout the year and the preceding year and has no assets or liabilities.

7. DEBTORS

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Fee debtors	77,967	56,821	77,967	49,550
Pupil disbursements	51,944	4,664	51,944	4,664
Other debtors	11,382	37,831	11,382	25,584
Prepayments	68,088	61,026	68,088	47,238
Accrued income	4,230	11,982	4,230	11,982
Amounts owed from group entities	-	-	25,941	377,722
	<u>213,611</u>	<u>172,324</u>	<u>239,552</u>	<u>516,740</u>

8. CREDITORS

	Group		Charity	
	2023 £	2023 £	2023 £	2022 £
Amounts falling due within one year				
Bank loans and overdrafts	27,532	37,035	27,532	-
Acceptance fees	43,200	61,900	43,200	34,800
Fees in advance	682,298	620,077	682,298	609,747
Trade creditors	514,617	256,424	514,617	116,168
Other taxes and social security	215,749	398,667	215,749	82,152
Other creditors and accruals	261,628	344,987	261,628	221,666
	<u>1,745,024</u>	<u>1,719,090</u>	<u>1,745,024</u>	<u>1,064,533</u>
Amounts falling due in more than one year				
Acceptance fees	693,500	693,500	693,500	612,400

9. LIABILITY OF THE MEMBERS

The company is limited by guarantee. The maximum liability of each member, in the event of the company winding up due to insufficient funds, is £1. The company had eleven members as at 31 August 2023 all of whom were directors.

10. RELATED PARTY TRANSACTIONS

In accordance with the Change of Control Agreement, Durston agreed to provide a loan to Harvington as working capital for the operation of its activities as a school of up to £1.5m. At 31 August 2022 the amount due to Durston was £377,722. The loan was secured on the freehold land and buildings. Interest was charged at 4% above the base rate of Barclays Bank plc, as varied from time to time. During the year loan interest was charged by Durston to Harvington of £49,485 (2022: £2,721) in respect of the loan made.

See note 13 regarding the transfer of assets and liabilities from Harvington School Educational Trust Limited to Durston House School Educational Trust Limited. At 31 August 2023, an amount of £25,941 was due to Durston from Harvington.

11. PENSION COMMITMENTS

Teaching staff - Durston

The school's contributions to the pension scheme for teaching staff in the year were £392,270 (2022: £369,619)

Non-teaching staff – Durston

The school's contributions to the pension schemes of non-teaching staff in the year were £103,085 (2022: £126,778).

Teaching staff – Harvington

Harvington School Educational Trust Limited participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £91,608 (2022: £107,738) and at the year—end £Nil (2022 — £Nil) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

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 have valued the 'greater value' benefits for groups of relevant members. The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2023

12. MERGER WITH HARVINGTON SCHOOL EDUCATIONAL TRUST LIMITED

Durston House School Educational Trust Limited became the sole member of Harvington School Educational Trust Limited on 23 April 2022, and so Harvington School Educational Trust Limited became a subsidiary of Durston House School Educational Trust Limited from this date.

The following table shows the fair value of the net assets of Harvington School Educational Trust Limited on 23 April 2022, which became part of the group reserves at this date:

	£
Tangible fixed assets	5,887,888
Cash	187,841
Other net liabilities	(1,023,791)
	<u> </u>
Total net assets	5,051,938
	<u> </u>

13. TRANSFER OF ASSETS AND LIABILITIES OF HARVINGTON SCHOOL EDUCATIONAL TRUST LIMITED TO DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

On 31 August 2023 the trade and assets and liabilities of Harvington School Educational Trust Limited were transferred to Durston House School Educational Trust Limited. The following table shows the net assets transferred to Durston House School Educational Trust Limited on 31 August 2023:

	£
Tangible fixed assets	5,806,826
Other net liabilities	(1,427,286)
	<u> </u>
Total net assets	3,193,765
	<u> </u>

14. SUBSIDIARY CHARITY

Durston House School Educational Trust Limited became the sole member of Harvington School Educational Trust Limited, a charitable company registered in England and Wales (Company number: 00979140, Charity number: 312621), on 23 April 2022. Harvington School Educational Trust Limited has been consolidated into these accounts. A summary of the Statement of Financial Activities and Balance Sheet are given below:

Statement of Financial Activities for the year ended 31 August:	2023	2022
	£	£
Income	1,136,249	1,201,307
Expenditure	(1,562,637)	(1,717,869)
	<u> </u>	<u> </u>
Deficit for the year	(426,388)	(516,562)
Transfer of assets and liabilities to Durston House	(3,193,765)	-
Total funds brought forward	3,620,153	4,136,715
	<u> </u>	<u> </u>
Total funds carried forward	£-	£3,620,153
	<u> </u>	<u> </u>
Balance Sheet as at 31 August:		
Tangible fixed assets	-	4,691,766
Current assets	25,941	87,117
Current liabilities	(25,941)	(1,032,280)
Long term liabilities	-	(126,450)
	<u> </u>	<u> </u>
Accumulated Funds	£-	£3,620,153
	<u> </u>	<u> </u>

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 294670

Accounts

**DURSTON HOUSE SCHOOL
EDUCATIONAL TRUST LIMITED
(Limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

Registered Company Number: 1947995
Registered Charity Number: 294670

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

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DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2022

REFERENCE AND ADMINISTRATIVE INFORMATION

GOVERNORS

Mr J Allen (Resigned 31 March 2022)
Mr D Alexander (Resigned 31 January 2022)
Mr S A Armstrong
Mr P Carpentier (Appointed 22 August 2022)
Mr C Castelino (Resigned 13 April 2022)
Ms A Collier
Mr K S Girn
Mr D G Henshall (Co-Chairman until 25 March 2023)
Mrs S-A Huang
Ms J Honigsberger
Miss H Kaur
Mrs I Kurek-Smith (appointed 6 February 2023)
Mr K J Mahoney (Chairman)
Dr R Maloney (Appointed 1 September 2021)
Mr M Mudan (Appointed 22 August 2022)
Mr B Purkiss (Appointed 1 September 2021)

KEY MANAGEMENT PERSONNEL

HEADMASTER

Mr K H G Entwisle

BURSAR AND COMPANY SECRETARY

Mrs J M Twyford

REGISTERED OFFICE

12 Castlebar Road
London W5 2DR

ARCHITECT

ADP Architecture Ltd
150 Waterloo Road
London SE1 8SB

AUDITOR

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

BANK

The Co-operative Bank
16-18 New Broadway
London W5 2XL

CHARTERED SURVEYOR

Gerald Eve
7 Vere Street
London W1M OJB

INSURANCE BROKER

Hettle Andrews & Associates Ltd
2 Brunswick Square
Birmingham B1 2LP

SOLICITOR

Blandy and Blandy
1 Friar Street
Reading
Berks
RG1 1DA

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2022

The governors, who are also the trustees and directors of the charitable company Durston House School Educational Trust Limited ("the Trust"), present their report and the audited financial statements for the year ended 31 August 2022 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the Charities SORP – Second Edition (effective 1 January 2019).

GOVERNING DOCUMENTS

Durston House School Educational Trust Limited was set up under its Memorandum and Articles of Association dated 17 September 1985 as a company limited by guarantee, number 1947995 and also a charity with the Charity Commission, number 294670. The School, previously privately owned, was established in 1886.

AIM

The School's strategic aim, as a charitable independent school operating for the public benefit, is the attainment of the highest academic levels with the benefit of a comprehensive extra-curricular programme.

OBJECTIVES

The principal object of the School is to promote and provide for the advancement of education for boys aged from 4 to 13 years.

In the furtherance of this object the governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Objectives for the Year

The principal objectives for the year were:

- to secure one hundred per cent success with regard to Year 8 pupils' entry into senior schools and academic scholarships results in keeping with the school's academic expectations;
- to continue and, where possible, increase the provision of means-tested bursaries to facilitate wider access to the provision of education at Durston House;
- to develop the School's profile, with regard to public benefit, in a manner that will encourage a greater level of involvement in the local community; and
- to continue the development of plans to combine the three sections of the school on to the Carlton Road site.

ETHOS, STRATEGY AND POLICIES

Ethos

Durston House is a preparatory school for boys, welcoming those from all ethnic, cultural and religious backgrounds. The School is proud of its diversity. It is a community in which mutual respect and understanding, fairness and opportunities for all are promoted within the framework of its Christian foundation.

Strategy

The governors are responsible for setting strategy. The focus of their strategy is on the development of the pupils, their continued high levels of academic and co-curricular achievement and the broadening of access to the education the school provides. In taking this strategy forward the governors:

- Ensure the range of extra-curricular activities available to pupils is stimulating and challenging;
- Invest in technology and the infrastructure of the school; and
- Develop methods for awarding bursaries to ensure wider access to pupils from all backgrounds.

Durston House School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims and welcomes pupils from all backgrounds. Fees are set at a level to ensure the financial viability of the school.

Access Policy

It is important that access to the education offered is not restricted to those who can afford full fees. The governors believe pupils benefit from learning within a diverse community. The governors will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2022

Bursary policy

Durston House bursary awards are available to all who meet its general entry requirements and are made solely, and subject to the entry requirements, on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. The bursary awards range from 50% to 100% remission of fees.

Assistance for teaching staff

As part of the emphasis on attracting and retaining high calibre staff, the school offers a 50% discount to staff members who choose to educate their sons at Durston House.

Community access

The governors see Durston House School as a part of a wider community. Where the School can assist the community without detriment to advancing the education of its pupils the governors are delighted to do so.

A Register of Public Benefit Initiatives records appropriate ventures, including the provision of means tested bursaries, and the school's links with the local community, including community use of the School's playing fields.

The Head of Complementary Curriculum acts as the charities coordinator arranging various activities during the year, supported by parents and pupils, to raise funds for other organisations. The nominated charities for the year were firstly the Chain of Hope who treat children from developing and war-torn countries with heart disease and Malaika, who provide access to education for girls, water and healthcare in the Democratic Republic of Congo.

ESTATES DEVELOPMENT

The planning application for the development plans to combine the three sections of the school on to the Carlton Road site was submitted to the local planning authority in January 2020 and granted approval. Subsequently, as required, it was submitted to the Greater London Authority, where in July 2020, it was refused. The governors considered their options and agreed that the plans should be revised and updated to address the points on which it was refused. The updated planning application will be submitted in due course.

The programme of routine maintenance to ensure high standards are maintained across all school sites continued.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The Annual General Meeting is held in March each year. The governors of the School, who are also directors of the Company, are appointed in accordance with the Memorandum and Articles of Association. Responsibility for the overall management and organisation of the School rests with the governors, who meet at least on a termly basis. They are supported in carrying out their responsibilities by the Education and Welfare, Estates Development, Finance and Governance Committees, meeting termly.

Membership of the five Committees during 2021-22 was as follows – Education and Welfare: B Purkiss (Chair), Ms A Collier and D Henshall; Estates Development: K J Mahoney (Chair), J Allen, C Castelino and R Maloney; Finance: C Castelino (Chair), Mr K S Girn, Ms J Honigsberger and K J Mahoney; Governance: D G Henshall (Chair), Miss H Kaur and Ms A Collier.

Operational Management

The task of running the School on a day-to-day basis is delegated to the Headmaster and Bursar. The Headmaster and the Bursar attend the governors' meetings and those of the Education and Welfare, Estates Development, Finance and Governance Committees. The Headmaster is assisted by the Senior Management Team comprising the Bursar, the Deputy Head, the Director of Studies and Head of Co-Curricular who also attend meetings of the Education and Welfare Committee, the Head of Studies Administration, the Head of Junior School, the Head of Pre-Prep.

Governor Recruitment, Induction and Training

The Governance Committee regularly reviews the mix of skills that is available to the Board. New governors are appointed by the Board until the date of the next Annual General Meeting at which they are eligible for election for a period of three years. All new governors receive an induction pack, which explains their role, the role of the Board, and details of Charity Commission and Companies House requirements. They are assigned a mentor, offered a tour of the School and given background information on previous Board decisions, Board papers, current financial position, information about the School and future developments. Governors attend a range of courses aimed at keeping them up to date with matters relevant to their roles, including Safeguarding training. These are provided by the Association of Governing Bodies of Independent Schools (AGBIS), Haysmacintyre LLP, the Trust's auditors, and iHasco. One governor spends a day in school each term shadowing a member of staff or department.

Governors' Interests

None of the governors has a financial or beneficial interest in the trust.

Remuneration of Key Management Personnel

Remuneration policy for key management personnel is set by the governors. The appropriateness and relevance of the remuneration policy, including reference to comparisons with other independent schools is considered, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

STRATEGIC REPORT

Achievements and Performance – Durston House School

Pupils

At the beginning of the year there were 349 pupils on roll. During the course of the year eight pupils left the School and five joined; we therefore ended the school year with 346 pupils.

All 29 boys in Year 8 scored sufficiently well either in Common Entrance or through Year 6 deferred entry (or individual school entrance examinations) to gain places at their chosen schools at 13+. Seven awards were offered; one John Collet Academic Scholarship and one Foundation Academic Scholarship to St Paul's School. An Academic Scholarship through election at Winchester College, an Academic Scholarship to Gresham's School, an Art Scholarship to Hampton School and two Sports Scholarships to Hampton School. Year 8 pupils leaving in July 2022 gained entry to the following schools: eight to St Paul's School, six to Hampton School, five to Merchant Taylor's School, three to The John Lyon School, two to St Benedict's School, one each to City of London, Shiplake College, Winchester College, Gresham's School and St James' Boy's School. 17 pupils left at 11+, gaining entry to the following schools: twelve to St Benedict's School, one each to Whitgift School, Runnymede College, Harrodian School, The International School of Zurich, and Reed's School.

Bursaries

Two pupils were supported by Durston House School during the year, one with a 100% bursary and one with a 35% bursary.

Staff

The staff – full and part-time, teaching and support – numbered 89 (77 full-time equivalents). The Board of Governors wish to express their thanks to the Headmaster and staff for their contributions and efforts during the year, especially with regard to the operational, safeguarding and Health and Safety challenges faced.

Pastoral Care

Durston House is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The School has 'vertical grouping' within the organisation of the four 'Houses' and 'Vertical Group' meetings at which younger and older pupils work together on a number of projects including workshops on anti-bullying.

Co-curricular activities:

Sport

Sport continued to play a full part in the life of the School. Saturday and Sunday morning football and rugby tournaments at the Swyncombe Playing Field were well attended by visiting schools and large numbers of parents. Athletic sports at the Perivale Stadium were a highlight of the summer term. Boys are encouraged to participate in team sports – notably football, rugby union, hockey and cricket – at a number of ability levels within their age groups.

Music

Many of the pupils learn at least one musical instrument and belong to various ensemble groups. Boys in Years 3-8 are invited to perform as solo artists or ensembles at the Annual Music. The Junior School and Upper & Middle School choirs also perform at this concert and the annual Carol Service.

Drama

All pupils have the opportunity to take part in small scale drama activities and/or major productions. End of term highlights were the Pre-Prep's 'Who took all the loo roll?', the Junior School's 'Peter Pan' and the Year 8 production of 'Charlie and the Chocolate Factory'.

Trips and Outings

The extension of the curriculum beyond the classroom continued to feature prominently in the school calendar. All pupils benefited from a large number of one-day trips to places of educational and cultural interest. The Trips Policy includes funded residential trips for all pupils in Years 4 to 8.

Environmental Initiatives: Cutting the 'carbon footprint'

The School continues to take very seriously the importance of environmental sustainability in its day-to-day operations. This is demonstrated by many practical environmental and recycling programmes to reduce emissions in the buildings and by educational initiatives. The school hopes that by setting a good example as an institution, it can help to influence the expectations and behaviour of its pupils as future citizens and leaders.

Harvington School

Following the opportunity presented, the School entered into a Change of Control agreement with Harvington School in April 2022 in which Durston House became the sole member of Harvington School. The Headmistress left the School at the end of the Spring Term 2021. The Change of Control Agreement was entered into at the start of the Summer Term 2021. Durston House is providing financing, via a commercial loan, for Harvington School to cover its working capital requirements until the end of the academic year 2022-23, secured by way of a legal charge over the Company's freehold interest, Nos. 20, 22 and 24 Castlebar Road, Ealing, London W5 2DS. Harvington School will close on 31 August 2023 and the assets and liabilities will be transferred over to Durston House. The Harvington staff and pupils will transfer over and Durston House will become a co-educational school on 1 September 2023.

Achievement and Performance – Harvington School

The consolidated accounts reflect Harvington School's Summer Term's results, not the full year. Mr G Entwisle, and Mrs J Twyford, the Headmaster and Bursar of Durston House School managed the transition and smooth handover of the school. The School had 95 pupils on the roll. 30 pupils were supported by staff, sibling and/or hardship discounts, scholarships and competition bursaries. All 14 pupils in Year 6 gained places at their chosen schools.

Financial Review – Durston House School

The governors believe that in order for any successful school to maintain, upgrade and improve the facilities it offers there has to be a financial surplus for the required investment in future projects. Therefore financial targets have been set to assist in the budgeting process and in monitoring performance. The present targets include:

- a) surplus as a percentage of tuition fees of 8%
- b) cash flow as a percentage of tuition fees of 15%
- c) teaching staff costs of not more than 55% of tuition fees.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2022

The results for the year show the following:

- a) A deficit for the year of £231,883 (2021: Surplus £60,310), -4.4% of tuition fees (2021: 1%)
- b) Surplus from operations before depreciation of £171,110 (2021: £459,688), 3.26% of tuition fees (2021: 9%)
- c) Teaching staff costs of £3,025,353 (2021: £3,046,575), 57% of tuition fees (2021: 57%)

The year ended in deficit. The main factors behind this were:

- a) A decrease in fees income of £40,506 as a result of lower pupil numbers
- b) An increase in overall staff costs of £26,136
- c) An increase in expenditure on maintenance of £34,575
- d) An increase in expenditure on legal and professional fees of £96,312 exploring the opportunity and carrying out due diligence in relation to the merger with Harvington School.

Financial Review – Harvington School

The results for the Summer Term show the following a deficit for the term of £250,902 and a deficit from operations before depreciation of £235,664.

Reserves Policy

The Group's unrestricted funds stood at £13 million at the year-end, most of which is deployed to fund tangible fixed assets totaling £11 million. At the year end, free reserves stood at £3 million. The need for day-to-day working capital is met by careful management of short-term liquid resources. Free reserves are monitored termly by reference to cash flow projections to year-end and for a further five years when major capital projects are being considered. This has allowed the governors to plan the investment of substantial sums in the development of the existing buildings in recent years. The policy is therefore to continue to build reserves out of annual operating surpluses. The School intends to continue the standard of educational services currently provided.

Plans for future periods

The governors' strategy is to invest in high quality facilities for education. Plans to combine the three sections of the School on the Carlton Road site were presented to staff, parents and the public for consultation in October 2018, submitted for planning permission, but refused. The long term aim remains a new school on the Castlebar Fields site within five to seven years.

Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided. Future plans are financed primarily from fee income and from reserves. The governors maintain an equitable balance ensuring current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils, just as current pupils benefit today from investment made in the past.

Principal risks and uncertainties

The governors together with the Senior Management Team, have assessed and categorised the risks that the School is, or may become, exposed to ensure that there are satisfactory systems established to mitigate those risks. They believe the principal risks facing the School are the difficulties in attracting key staff to a London school, the effect of managing compliance and the current political climate. To mitigate these risks the School offers competitive salaries and a generous benefits package, manages compliance by having clear policies in place, monitors the political climate and considers the impact any changes might have and takes advice from the sector body. The assessment of risks and potential risks are detailed in the Risk Management Risk Assessment and reviewed termly by the Committees. Mr D G Henshall has the role of overseeing risk management and reporting on it to the full board of governors.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2022

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors of Durston House School Educational Trust Limited 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).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the governors are required to:

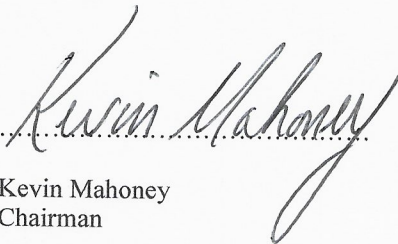
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 disclose with reasonable accuracy at any time of the financial position of the group and 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 group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- There is no relevant audit information of which the company's auditors are unaware; and
- The governors have taken all steps that 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.

Approved by the Board of Governors at its meeting on 24 May 2023 and signed on its behalf by:



Kevin Mahoney
Chairman

Opinion

We have audited the financial statements of Durston House School Educational Trust Limited for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 of the parent charitable company's affairs as at 31 August 2022 and of the group's and parent charitable company's net movement in funds, including the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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. The other information comprises the information included in the Governors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (which includes the strategic report and the directors' 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 Governors' Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' report).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

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 accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Governors' Responsibilities set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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.

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Educational (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law, and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in making accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing minutes of Governors' meetings during the year;
- Identifying and testing journals, in particular journal entries posted at the year-end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

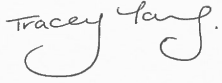
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

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.



Tracey Young (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditors

Date: 30.5.23

**10 Queen Street Place
London
EC4R 1AG**

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2022

INCOME AND EXPENDITURE		Unrestricted Funds		Total	Total
INCOME FROM	Notes	General Funds	Bursary Funds	2022	2021
		£	£		
Income from charitable activities					
Tuition fees	1	5,613,765	-	5,613,765	5,324,004
Other educational income	1	329,660	-	329,660	56,726
Voluntary sources					
Donations		805	1,220	2,025	2,779
CJRS Furlough Income		-	-	-	24,540
Trading activities					
Lettings income		53,959	-	53,959	40,900
Investments					
Bank interest		23,714	-	23,714	28,231
Loan interest		2,722	-	2,722	-
Other Income					
Business Interruption Insurance Claim		-	-	-	100,000
Transfer of net assets of Harvington		5,051,938	-	5,051,938	-
Total Income		<u>11,076,563</u>	<u>1,220</u>	<u>11,077,783</u>	<u>5,577,180</u>
EXPENDITURE ON					
Expenditure on charitable activity					
School operating costs:					
Teaching costs		3,911,254	-	3,911,254	3,280,825
Premises costs and maintenance		1,181,305	-	1,181,305	951,628
Support costs and governance		1,416,071	-	1,416,071	1,284,416
Total Expenditure	2	<u>6,508,630</u>	<u>-</u>	<u>6,508,630</u>	<u>5,516,869</u>
NET INCOME BEFORE TRANSFERS		4,567,933	1,220	4,569,153	60,311
Transfer between funds		16,718	(16,718)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		4,584,651	(15,498)	4,569,153	60,311
Balance brought forward at 1 September 2021		<u>8,363,868</u>	<u>15,498</u>	<u>8,379,366</u>	<u>8,319,055</u>
BALANCE CARRIED FORWARD AT 31 AUGUST 2022		<u><u>12,948,519</u></u>	<u><u>-</u></u>	<u><u>12,948,519</u></u>	<u><u>8,379,366</u></u>

The Statement of Financial Activities contains all the income and expenditure recognised in the current and preceding year.

All of the charity's activities during the above two financial years derived from continuing activities.

In 2020-21, donations income of £750 was to the Bursary Fund. All other income or expenditure was unrestricted while there was also a transfer of £5,691 from the Bursary Fund to unrestricted funds.

The accompanying notes form part of these financial statements.

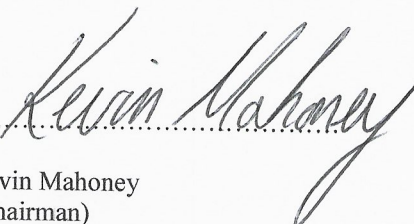
CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 AUGUST 2022

	Notes	Group 2022 £	Charity 2022 £	2021 £
FIXED ASSETS				
Tangible assets	5	10,995,036	5,122,386	5,460,606
CURRENT ASSETS				
Debtors	7	172,324	516,740	120,351
Cash at bank and in hand		4,239,099	4,185,289	4,481,866
		<u>4,411,423</u>	<u>4,702,029</u>	<u>4,602,217</u>
CREDITORS: Amounts falling due within one year	8	(1,719,090)	(1,064,533)	(1,057,857)
NET CURRENT ASSETS		<u>2,692,333</u>	<u>3,637,496</u>	<u>3,544,360</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,687,369</u>	<u>8,759,882</u>	<u>9,004,966</u>
CREDITORS: Amounts falling due after more than one year	8	(738,850)	(612,400)	(625,600)
NET ASSETS		<u>12,948,519</u>	<u>8,147,482</u>	<u>8,379,366</u>
UNRESTRICTED FUNDS				
General Fund	9	12,948,519	8,147,482	8,363,868
Designated Bursary Fund	9	-	-	15,498
TOTAL FUNDS		<u>12,948,519</u>	<u>8,147,482</u>	<u>8,379,366</u>

The deficit of the parent charitable company before consolidation was £231,884 (2021: surplus of £60,311).

The financial statements were approved and authorised for issue by the Board of Governors on 24 May 2023 and were signed below on its behalf by:

.....

 Kevin Mahoney
 (Chairman)

The accompanying notes form part of these financial statements.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 AUGUST 2022

	£	2022	£	£	2021	£
Cash flow from operating activities:						
Net income		4,569,153			60,311	
Transfer of net assets from Harvington		(5,051,938)			-	
Depreciation		418,231			399,378	
Decrease in debtors		1,657			111,484	
Increase in creditors		(302,938)			38,487	
Interest receivable		(26,436)			(28,231)	
Net cash (used in)/provided by operating activities		<u>(392,271)</u>			<u>581,429</u>	
Cash flow from investing activities:						
Interest received	26,436			28,231		
Purchase of tangible fixed assets	(64,773)			(165,063)		
Cash received on merger with Harvington	187,841					
Net cash provided by/(used in) investing activities		<u>149,504</u>			<u>(136,832)</u>	
INCREASE IN CASH AND CASH EQUIVALENTS		<u>(242,767)</u>			<u>444,597</u>	
Cash and cash equivalents at 1 September 2021		4,481,866			4,037,269	
Cash and cash equivalents at 31 August 2022		<u>4,239,099</u>			<u>4,481,866</u>	
ANALYSIS OF CASH AND CASH EQUIVALENTS						
		2021			2021	
		£			£	
Cash at bank		175,099			83,467	
Deposits		4,064,000			4,398,399	
Cash and cash equivalents at 31 August 2022		<u>4,239,099</u>			<u>4,481,866</u>	

The accompanying notes form part of these financial statements.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF ACCOUNTING POLICIES

YEAR ENDED 31 AUGUST 2022

Durston House School Educational Trust Limited is a charitable company incorporated in England and Wales. Further company information can be found on page 1. The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 17 September 1985 (company number: 1947995) and registered as a charity on 18 June 1986 (charity number: 294670).

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP) – Second Edition, effective 1 January 2019, the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. The financial statements of the group include the results and balances of Durston House School Educational Trust Limited consolidated on a line-by-line basis with Harvington School Educational Trust Limited. In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for the Durston House School Educational Trust. Harvington School Educational Trust Limited is a charitable company controlled by the governors of Durston House Educational Trust.

Durston House School Limited is dormant and has no assets or liabilities. It is therefore not included in the consolidation.

The Governors, having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, found that there are no material uncertainties and therefore have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable certainty.

c) Government grant income

Government grant income represents the total amount claimed from HM Revenue and Customs under the Coronavirus Job Retention Scheme (CJRS). The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

d) Expenditure

Expenditure is accounted for on an accruals basis.

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised to directly support the School's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

e) Pension costs

Durston House School Educational Trust Limited withdrew from the Teachers' Pension Scheme with effect from 31 August 2021. From 1 September 2021 pensions for the teaching staff are provided through the Aviva APTIS Pension Scheme a defined contribution scheme which complies with the requirements for a stakeholder pension scheme.

Harvington School Educational Trust Limited contributes to the Teachers' Pension Scheme, a defined benefit scheme, at rates set by the Scheme Actuary. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102 the scheme is accounted for as a defined contribution scheme.

All non-teaching staff, where required by pursuant legislation, are members of a defined contribution scheme which complies with the requirements for a stakeholder pension scheme.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF ACCOUNTING POLICIES (continued)

YEAR ENDED 31 AUGUST 2022

f) Fixed assets

All items of a capital nature with a value of over £1,000 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purposes are:

Freehold land	Freehold land is not depreciated.
Freehold buildings	2%
Freehold improvements	10%
Furniture and equipment	20-33 $\frac{1}{3}$ %
Motor vehicles	20%

Freehold improvements include any capital expenditure relating to land and buildings which is believed not to have a useful economic life of 50 years.

The freehold property of Harvington School Educational Trust Limited is included at fair value at the date of the merger less depreciation from this date.

g) Financial Instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

h) Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

i) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j) Creditors and Provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

k) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the governors either to further the School's Objects or to benefit the School itself. Where the governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the governors. The use of designated funds remains at the discretion of governors.

l) Critical sources of estimation uncertainty and accounting judgements

In the application of the accounting policies, the governors 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 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 governors, 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.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

D) Transfer of control

The assets and liabilities transferred from Harvington School Educational Trust Limited on 23 April 2022 have been recognised at the governors' best estimate of their fair value on the date of transfer.

1. CHARITABLE ACTIVITIES

	2022	2021
	£	£
Fees receivable consist of:		
School fees	5,719,569	5,329,695
Less: total bursaries, hardship awards and staff discounts	(105,804)	(5,691)
	<u>5,613,765</u>	<u>5,324,004</u>
Other educational income		
After school care	40,581	23,062
Extras	251,415	7,864
Acceptance fees not returned	18,000	16,000
Registration fees	10,400	7,100
Test fees	3,100	2,700
Sundry income	6,164	-
	<u>329,660</u>	<u>56,726</u>

2. TOTAL EXPENDITURE

	Staff costs	Depreciation	Other costs	2022
	£	£	£	Total
				£
2022 Charitable activity				
School Operating Costs:				
Teaching costs	3,375,374	-	535,880	3,911,254
Premises and maintenance costs	171,519	418,231	591,555	1,181,305
Support and governance costs	980,340	-	435,731	1,416,071
	<u>4,527,233</u>	<u>418,231</u>	<u>1,563,166</u>	<u>6,508,630</u>

	Staff costs	Depreciation	Other costs	2021
	£	£	£	Total
				£
2021 Charitable activity				
School Operating Costs:				
Teaching costs	3,046,575	-	234,250	3,280,825
Premises and maintenance costs	130,436	399,378	421,814	951,628
Support and governance costs	886,106	-	398,310	1,284,416
	<u>4,063,117</u>	<u>399,378</u>	<u>1,054,374</u>	<u>5,516,869</u>

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2022

2. TOTAL EXPENDITURE (continued)

	2022 £	2021 £
Governance included in support costs		
Remuneration paid to auditor for audit services	29,950	17,670
	<u>29,950</u>	<u>17,670</u>

	2022 £	2021 £
Total expenditure includes the following		
Auditors remuneration for audit - Durston House Educational Trust	17,450	17,670
- Harvington School Educational Trust	12,500	-
Depreciation – owned fixed assets	410,110	399,378
	<u>410,110</u>	<u>399,378</u>

3. GOVERNORS' REMUNERATION

The governors received no remuneration during this or the previous year. One governor received reimbursement of travel expenses of £75 (2021: £1,157). During the year the governors purchased indemnity insurance costing £2,410 (2021: £2,009).

4. EMPLOYEES

	2022		2021	
	No.	Full time Equivalents	No.	Full time Equivalents
The average number of employees (full and part time) analysed by function was:				
Teaching - full time	49	49	46	46
- part time	4	3	3	2
Premises - full time	4	4	3	3
Support - full time	17	17	15	15
- part time	23	12	22	11
	<u>97</u>	<u>85</u>	<u>89</u>	<u>77</u>

Teaching staff numbers includes teachers and teaching assistants.

	2022 £	2021 £
The costs incurred in respect of these employees were:		
Wages and salaries	3,601,663	3,198,944
Social Security costs	380,053	336,449
Pension costs	545,517	527,724
	<u>4,527,233</u>	<u>4,063,117</u>

Key management personnel remuneration for the period totalled £294,465 (2021: £299,084)

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2022

4. EMPLOYEES (continued)

The number of employees whose emoluments exceeded £60,000 excluding pension contributions was:

	2022 No.	2021 No.
£60,001 - £70,000	4	4
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£140,001 - £150,000	1	1
	<u>1</u>	<u>1</u>

Defined benefits pension contributions for employees whose emoluments exceeded £60,000 were £ Nil (2021: £89,298).

Defined contribution pension contributions for seven employees whose emolument exceeded £60,000 were £89,605 (2021: £11,965).

5. TANGIBLE FIXED ASSETS (GROUP)

	Freehold land and buildings £	Improvement to freehold premises £	Furniture and equipment £	Total £
Cost				
At 31 August 2021	5,357,197	4,207,342	326,533	9,891,072
Additions	-	4,728	60,045	64,773
Transferred in on consolidation	5,860,000	-	27,888	5,887,888
	<u>11,217,197</u>	<u>4,212,070</u>	<u>414,466</u>	<u>15,843,733</u>
At 31 August 2022				
Depreciation				
At 31 August 2021	2,358,490	1,842,154	229,822	4,430,466
Charge for the year	92,754	265,831	59,646	418,231
	<u>2,451,244</u>	<u>2,107,985</u>	<u>289,468</u>	<u>4,848,697</u>
At 31 August 2022				
Net Book Value				
At 31 August 2022	<u>8,765,953</u>	<u>2,104,085</u>	<u>124,998</u>	<u>10,995,036</u>
At 31 August 2021	<u>2,998,707</u>	<u>2,365,188</u>	<u>96,711</u>	<u>5,460,606</u>

Included in freehold land and buildings is land with a book value of £3,278,666 which is not depreciated.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2022

5. TANGIBLE FIXED ASSETS (CHARITY ONLY)

	Freehold land and buildings £	Improvement to freehold premises £	Furniture and equipment £	Total £
Cost				
At 31 August 2021	5,357,197	4,207,342	326,533	9,891,072
Additions	-	4,728	60,045	64,773
	<u>5,357,197</u>	<u>4,212,070</u>	<u>386,578</u>	<u>9,955,845</u>
At 31 August 2022	5,357,197	4,212,070	386,578	9,955,845
Depreciation				
At 31 August 2021	2,358,490	1,842,154	229,822	4,430,466
Charge for the year	77,516	265,831	59,646	402,993
	<u>2,436,006</u>	<u>2,107,985</u>	<u>289,468</u>	<u>4,833,459</u>
At 31 August 2022	2,436,006	2,107,985	289,468	4,833,459
Net Book Value				
At 31 August 2022	2,921,191	2,104,085	97,110	5,122,386
At 31 August 2021	2,998,707	2,365,188	96,711	5,460,606

6. INVESTMENT IN SUBSIDIARY

The company has an investment in a subsidiary undertaking which comprises a holding of 100 ordinary shares of £1 each, being the whole of the issued share capital of Durston House School Limited, a company registered in England. The subsidiary undertaking has been dormant throughout the year and the preceding year and has no assets or liabilities.

7. DEBTORS

	Group		Charity	
	2022 £		2022 £	2021 £
Fee debtors	56,821		49,550	64,668
Pupil disbursements	4,664		4,664	3,125
Other debtors	37,831		25,584	20,269
Prepayments	61,026		47,238	14,374
Accrued income	11,982		11,982	17,915
Amounts owed from group entities	-		377,722	-
	<u>172,324</u>		<u>516,740</u>	<u>120,351</u>

8. CREDITORS

	Group		Charity	
	2022 £		2022 £	2021 £
Amounts falling due within one year				
Bank loans and overdrafts	37,035		-	-
Acceptance fees	61,900		34,800	36,000
Fees in advance	620,077		609,747	656,826
Trade creditors	256,424		116,168	10,100
Other taxes and social security	398,667		82,152	85,931
Other creditors and accruals	344,987		221,666	269,000
	<u>1,719,090</u>		<u>1,064,533</u>	<u>1,057,857</u>
Amounts falling due in more than one year				
Acceptance fees	738,850		612,400	625,600

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2022

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Bursary Fund £	General Funds £	Total Funds 2022 £
Fixed assets	-	10,995,036	10,995,036
Current assets	-	4,411,423	4,411,423
Creditors due within one year	-	(1,719,090)	(1,719,090)
Creditors due after one year	-	(738,850)	(738,850)
Net assets	-	12,948,519	12,948,519

Charity only

	Bursary Fund £	General Funds £	Funds 2022 £
Fixed assets	-	5,122,386	5,122,386
Current assets	-	4,702,029	4,702,029
Creditors due within one year	-	(1,064,533)	(1,064,533)
Creditors due after one year	-	(612,400)	(612,400)
Net assets	-	8,147,482	8,147,482

2022 Bursary Fund (cumulative movements)

Transfers from Reserves	£ 446,110
Donations received	103,752
Bursaries awarded	(549,862)
	<u>-</u>

Comparative information

	Bursary Fund £	General Funds £	Total Funds 2021 £
Fixed assets	-	5,460,606	5,460,606
Current assets	15,498	4,586,719	4,602,217
Creditors due within one year	-	(1,057,857)	(1,057,857)
Creditors due after one year	-	(625,600)	(625,600)
Net assets	15,498	8,363,868	8,379,366

2021 Bursary Fund (cumulative movements)

Transfers from Reserves	£ 446,110
Donations received	103,752
Bursaries awarded	(534,364)
	<u>15,498</u>

- (a) The Bursary Fund represents accumulated income and expenditure which has been designated for use in the funding of pupil bursaries.
- (b) Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

10. LIABILITY OF THE MEMBERS

The company is limited by guarantee. The maximum liability of each member, in the event of the company winding up due to insufficient funds, is £1. The company had twelve members as at 31 August 2022 all of whom were directors.

11. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

12. PENSION COMMITMENTS

Teaching staff - Durston

The school's contributions to the pension scheme for teaching staff in the year were £369,619 (2021: £421,111). At the year-end £47,716 was accrued in respect of contributions to this scheme.

Teaching staff - Harvington

Harvington School Educational Trust Limited 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 £50,269 and at the year-end £21,850 was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2022

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

Non-teaching staff

The schools contributions to the pension schemes of non-teaching staff in the year were £126,778 (2021: £106,613). At the year-end £15,261 was accrued in respect of contributions due.

13. MERGER WITH HARVINGTON SCHOOL EDUCATIONAL TRUST LIMITED

Durston House School Educational Trust Limited became the sole member of Harvington School Educational Trust Limited on 23 April 2022, and so Harvington School Educational Trust Limited became a subsidiary of Durston House School Educational Trust Limited from this date.

The following table shows the fair value of the net assets of Harvington School Educational Trust Limited on 23 April 2022, which became part of the group reserves at this date:

Tangible fixed assets	£
Cash	5,887,888
Other net liabilities	187,841
	(1,023,791)
Total net assets	<u>5,051,938</u>

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 294670

Accounts

**DURSTON HOUSE SCHOOL
EDUCATIONAL TRUST LIMITED
(Limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

Registered Company Number: 1947995
Registered Charity Number: 294670

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

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DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2021

REFERENCE AND ADMINISTRATIVE INFORMATION

GOVERNORS

Mr J Allen
Mr D Alexander
Mr S A Armstrong
Mr C Castelino
Ms A Collier
Mr K S Girn
Mrs S Hay (Resigned 30 June 2021)
Mr D G Henshall (Co-Chairman)
Mrs S-A Huang (Appointed 1 September 2021)
Ms J Honigsberger (Appointed 30 June 2021)
Miss H Kaur
Dr P J Magill (Deceased 29 December 2020)
Mr K J Mahoney (Co-Chairman)
Dr R Maloney (Appointed 1 September 2021)
Mr B Purkiss (Appointed 1 September 2021)
Mrs R M Reece (Resigned 2 December 2020)

KEY MANAGEMENT PERSONNEL

HEADMASTER

Mr K H G Entwisle (Appointed 1 September 2020)

BURSAR AND COMPANY SECRETARY

Mrs J M Twyford

REGISTERED OFFICE

12 Castlebar Road
London W5 2DR

ARCHITECT

ADP Architecture Ltd
150 Waterloo Road
London SE1 8SB

AUDITOR

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

BANK

The Co-operative Bank
16-18 New Broadway
London W5 2XL

CHARTERED SURVEYOR

Gerald Eve
7 Vere Street
London W1M 0JB

INSURANCE BROKER

Hettle Andrews & Associates Ltd
2 Brunswick Square
Birmingham B1 2LP

SOLICITOR

GBH Law Ltd
7/8 Innovation Place
Douglas Drive
Godalming
Surrey GU7 1JX

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2021

The governors, who are also the trustees and directors of the charitable company Durston House School Educational Trust Limited ("the Trust"), present their report and the audited financial statements for the year ended 31 August 2021 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the Charities SORP - Second Edition (effective 1 January 2019).

GOVERNING DOCUMENTS

Durston House School Educational Trust Limited was set up under its Memorandum and Articles of Association dated 17 September 1985 as a company limited by guarantee, number 1947995 and also a charity with the Charity Commission, number 294670. The School, previously privately owned, was established in 1886.

AIM

The School's strategic aim, as a charitable independent school operating for the public benefit, is the attainment of the highest academic levels with the benefit of a comprehensive extra-curricular programme.

OBJECTIVES

The principal object of the School is to promote and provide for the advancement of education for boys aged from 4 to 13 years.

In the furtherance of this object the governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Objectives for the Year

The principal objectives for the year were:

- to secure one hundred per cent success with regard to Year 8 pupils' entry into senior schools and academic scholarships results in keeping with the school's academic expectations;
- to continue and, where possible, increase the provision of means-tested bursaries to facilitate wider access to the provision of education at Durston House;
- to develop the School's profile, with regard to public benefit, in a manner that will encourage a greater level of involvement in the local community; and
- to continue the development of plans to combine the three sections of the school on to the Carlton Road site.

ETHOS, STRATEGY AND POLICIES

Ethos

Durston House is a preparatory school for boys, welcoming those from all ethnic, cultural and religious backgrounds. The School is proud of its diversity. It is a community in which mutual respect and understanding, fairness and opportunities for all are promoted within the framework of its Christian foundation.

Strategy

The governors are responsible for setting strategy. The focus of their strategy is on the development of the pupils, their continued high levels of academic and co-curricular achievement and the broadening of access to the education the school provides. In taking this strategy forward the governors:

- Ensure the range of extra-curricular activities available to pupils is stimulating and challenging;
- Invest in technology and the infrastructure of the school; and
- Develop methods for awarding bursaries to ensure wider access to pupils from all backgrounds.

Durston House School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims and welcomes pupils from all backgrounds. Fees are set at a level to ensure the financial viability of the school.

Access Policy

It is important that access to the education offered is not restricted to those who can afford full fees. The governors believe pupils benefit from learning within a diverse community. The governors will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2021

Bursary policy

Durston House bursary awards are available to all who meet its general entry requirements and are made solely, and subject to the entry requirements, on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. The bursary awards range from 50% to 100% remission of fees.

Assistance for teaching staff

As part of the emphasis on attracting and retaining high calibre staff, the school offers a 50% discount to staff members who choose to educate their sons at Durston House.

Community access

The governors see Durston House School as a part of a wider community. Where the School can assist the community without detriment to advancing the education of its pupils the governors are delighted to do so.

A Register of Public Benefit Initiatives records appropriate ventures, including targets for the provision of means tested bursaries as a proportion of the total number of pupils on role, and the school's links with the local community, including community use of the School's playing fields.

The Head of Complementary Curriculum acts as the charities coordinator arranging various activities during the year, supported by parents and pupils, to raise funds for other organisations. The nominated charities for the year were firstly the Honey Pot Children's Charity, which works to enhance the lives of young carers aged 5-12 years by providing respite breaks and on-going outreach support in the UK and secondly, Ealing Soup Kitchen: who provide meals for those in need in the Ealing area.

ESTATES DEVELOPMENT

The planning application for the development plans to combine the three sections of the school on to the Carlton Road site was submitted to the local planning authority in January 2020 and granted approval. Subsequently, as required, it was submitted to the Greater London Authority, where in July 2020, it was refused. The governors considered their options and agreed that the plans should be revised and updated to address the points on which it was refused. The updated planning application will be submitted in due course.

The programme of routine maintenance to ensure high standards are maintained across all school sites continued.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The Annual General Meeting is held in March each year. The governors of the School, who are also directors of the Company, are appointed in accordance with the Memorandum and Articles of Association. Responsibility for the overall management and organisation of the School rests with the governors, who meet at least on a termly basis. They are supported in carrying out their responsibilities by the Education and Welfare, Estates Development, Finance, Governance and Marketing Committees, meeting termly.

Membership of the five Committees during 2020-21 was as follows – Education and Welfare: D Alexander (Chair), Ms A Collier and D Henshall; Estates Development: K J Mahoney (Chair), J Allen and C Castelino; Finance C Castelino (Chair), Ms A Collier, Mr K S Girm, Ms J Honigsberger and K J Mahoney; Governance: D G Henshall (Chair), Miss H Kaur and Mrs R M Reece, Marketing: S A Armstrong (Chair), Mrs S Hay, K J Mahoney and Mrs R M Reece. Following a review of Governance by AGBIS, it was agreed that the Marketing Committee would be disbanded in September 2021 to be replaced by an Executive Marketing Group with Governor representation.

Operational Management

The task of running the School on a day-to-day basis is delegated to the Headmaster and Bursar. The Headmaster and the Bursar attend the governors' meetings and those of the Education and Welfare, Estates Development, Finance, Governance and Marketing Committees. The Headmaster is assisted by the Senior Management Team comprising the Deputy Head, the Director of Studies and Head of Co-Curricular who also attend meetings of the Education and Welfare Committee, the Head of Studies Administration, the Head of Junior School, the Head of Pre-Prep and the Bursar.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2021

Governor Recruitment, Induction and Training

The Governance Committee regularly reviews the mix of skills that is available to the Board. New governors are appointed by the Board until the date of the next Annual General Meeting at which they are eligible for election for a period of three years. All new governors receive an induction pack, which explains their role, the role of the Board, and details of Charity Commission and Companies House requirements. They are assigned a mentor, offered a tour of the School and given background information on previous Board decisions, Board papers, current financial position, information about the School and future developments. Governors attend a range of courses aimed at keeping them up to date with matters relevant to their roles, including Safeguarding training. These are provided by the Association of Governing Bodies of Independent Schools (AGBIS), Haysmacintyre LLP, the Trust's auditors, and iHasco. One governor spends a day in school each term shadowing a member of staff or department and one attends a meeting of the Senior Management Team.

Governors' Interests

None of the governors has a financial or beneficial interest in the trust.

Remuneration of Key Management Personnel

Remuneration policy for key management personnel is set by the governors. The appropriateness and relevance of the remuneration policy, including reference to comparisons with other independent schools is considered, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

STRATEGIC REPORT

Achievements and Performance

Pupils

At the beginning of the year there were 363 pupils on roll. During the course of the year nine pupils left the School. There were seven admissions during the course of the school year; we therefore ended the school year with 362 pupils.

All boys in Year 8 scored sufficiently well in Common Entrance (or individual school entrance examinations) to gain places at their chosen schools at 13+. 14 awards were offered; four John Collet Academic Scholarships and a major music scholarship to St Paul's School. A 'STEAM' scholarship to John Lyon School, a music exhibition to Reeds School, a sports scholarship to Hampton School and an academic scholarship to Merchant Taylor's School. The 43 Year 8 pupils leaving in July 2021 gained entry to the following schools: eight to Hampton School, five to The John Lyon School, 14 to Merchant Taylors', six to St Paul's, two to St Benedict's, two to City of London and one each to Reed's, Radley, Northbridge House, Abingdon, Arts Educational, and Villiers High School. 12 pupils left at 11+, gaining entry to the following schools: six to St Benedict's, one each to Hampton, Haberdashers', John Lyon, Ada Lovelace, Latymer Upper and Ealing Fields.

Bursaries

One pupil was supported by Durston House School during the year with a 35% bursary.

Covid-19

The impact of the Coronavirus pandemic (COVID-19) required changes to the running of the School and the educational provision for pupils. The school undertook extensive works in readiness for September 2020, with the installation of handwashing troughs, bespoke signage, the purchase of handwashing stations, and the development of new school routines, protocols and timings to allow for the safe return of pupils. Safeguarding, policies, control measure documents and risk assessment documentation were updated in line with government guidance. Throughout the Autumn Term the school operated according to strict guidelines and control measures, including the use of year group bubbles, one-way 'easy flow' movement guidance for pupils and staff, staggered start and finish times and an enhanced cleaning regime throughout all areas of the school. Meetings and assemblies were delivered via zoom. Lessons were taught in person at school during the Autumn Term. Parent evenings were delivered via an on-line platform.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2021

The second lockdown was announced immediately prior to the return to school in January. A full testing regime including twice-weekly testing was set up, organised and run at the Castlebar Pavilion, supported by qualified testing personnel. The school moved to a full timetable of online provision for all pupils in the school, which continued until the penultimate week of the Spring Term. Much work was undertaken in providing a full programme of learning, pastoral support sessions through Tutor time as well as a co-curricular programme of study. Safeguarding concerns and monitoring of pupil wellbeing was overseen by three senior members of staff, one for each section of the school. Children of key workers were taught in school during the Spring Term. Following government guidance the risk assessments were updated, pupils returned after the Easter holiday and continued with the twice-weekly antigen lateral flow testing for all staff and pupils in Years 7 and 8. Remote teaching provision was further developed to allow for 'blended' learning for pupils or staff who were self-isolating at home, but able to teach and learn. Cases of COVID-19 were kept to a minimum throughout the year, with only one incident lasting five days whereby the provision needed to switch back to a full remote learning provision due to a higher incidence of COVID related staff illness.

The School was able to claim £100,000 from the Business Interruption Insurance Policy for the loss of income that resulted from the reduction in fees offered to parents in 2019-20 as a result of the response to the Coronavirus pandemic with the introductions of remote teaching and learning and partial closure of the school.

Staff

The staff – full and part-time, teaching and support – numbered 89 (77 full-time equivalents). During the course of the year, three full-time members of the teaching staff left; three full-time teachers were appointed in their place. The Board of Governors wish to express their thanks to the Headmaster and staff for their contributions and efforts during the year, especially with regard to the significant operational, safeguarding and Health and Safety challenges faced as a result of the Covid pandemic.

Pastoral Care

Durston House is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The School has 'vertical grouping' within the organisation of the four 'Houses' and 'Vertical Group' meetings at which younger and older pupils work together on a number of projects including workshops on anti-bullying.

Co-curricular activities:

Sport

During the Autumn Term all competitive football fixtures and matches between schools had to be cancelled in accordance with Government Guidance on the Coronavirus pandemic and the School was closed during the rugby season. In the Summer Term approximately 80% of cricket fixtures were able to be played, albeit subject to the coronavirus restrictions.

Music

Many of the pupils learn at least one musical instrument and belong to various ensemble groups. Boys in Years 3-8 are invited to perform as solo artists or ensembles at the Annual Music Concert. In 2020-21, owing to Government Guidance due to the Coronavirus pandemic, this could not take place in St Peter's Church for a second year running. The Junior School and Upper & Middle School choirs were unable to perform at this concert or at the annual Carol Service. A scaled down concert at the end of the Summer Term was enjoyed by all.

Drama

Despite restrictions imposed due to the Coronavirus pandemic, pupils throughout the school were able to perform in their end of term productions. The Pre-Prep were filmed performing their Christmas productions in their separate form bubbles under COVID-19 restrictions. These were shared with parents on the VLE in December 2020. In the Summer Term, live performances with additional health and safety measures in place were performed by Year 3 presenting Aesop's Fables, Year 4, The Tempest and Year 8 – Oliver.

Trips and Outings

The extension of the curriculum beyond the classroom continued to feature in the school calendar although, owing to the restrictions imposed by the Coronavirus pandemic, some of the planned Outings to places of educational and cultural interest were not possible. The Trips Policy includes funded residential trips for all pupils in Years 4 to 8. In 2020-21 only the Year 7 and 8 trips to the Lake District and an Action Adventure Centre could go ahead. Year 3-6 enjoyed school-based activities and team building activity days at Operation Encounter.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2021

Environmental Initiatives: Cutting the 'carbon footprint'

The School continues to take very seriously the importance of environmental sustainability in its day-to-day operations. This is demonstrated by many practical environmental and recycling programmes to reduce emissions in the buildings and by educational initiatives. The school hopes that by setting a good example as an institution, it can help to influence the expectations and behaviour of its pupils as future citizens and leaders.

Financial Review

The governors believe that in order for any successful school to maintain, upgrade and improve the facilities it offers there has to be a financial surplus for the required investment in future projects. Therefore financial targets have been set to assist in the budgeting process and in monitoring performance. The present targets include:

- a) surplus as a percentage of tuition fees of 8%
- b) cash flow as a percentage of tuition fees of 15%
- c) teaching staff costs of not more than 55% of tuition fees.

The actual results for the year show the following:

- a) A surplus for the year of £60,310 (2020: £130,193), 1% of tuition fees (2020: 3%)
- b) Surplus from operations before depreciation of £459,688 (2020: £538,577), 9% of tuition fees (2020: 11%)
- c) Teaching staff costs of £3,046,575 (2020: £2,870,353), 57% of tuition fees (2020: 57%)

The surplus for the year decreased by £69,882 on 2020. The main factors behind this were:

- a) An increase in fees income of £266,269 primarily as a result of no fee reductions for the Covid pandemic being granted (2019:25%)
- b) A decrease in overall staff costs of £57,678 (1.4%) and an increase in expenditure of £105,000 on pension contributions as a result of the move from Teachers Pensions to the Aviva APTIS Scheme.
- c) An increase in expenditure of £150,192 on maintenance
- d) Funding of £24,540 received from the Coronavirus Job Retention Scheme (CJRS) and income of £100,000 from the Business Interruption Insurance Scheme, included in income, not netted off against costs.

Reserves Policy

The Trust's unrestricted funds stood at £8.4 million at the year-end, most of which is deployed to fund tangible fixed assets totaling £5.5 million. At the year end, free reserves stood at £2.9 million. The need for day-to-day working capital is met by careful management of short-term liquid resources. Free reserves are monitored termly by reference to cash flow projections to year-end and for a further five years when major capital projects are being considered. This has allowed the governors to plan the investment of substantial sums in the new Junior School building and the development of the existing buildings in recent years. The policy is therefore to continue to build reserves out of annual operating surpluses. The School intends to continue the standard of educational services currently provided.

Plans for future periods

The governors' strategy is to invest in high quality facilities for education. They have been working on plans to combine the three sections of the School on to the Carlton Road site for some time and presented these to staff, parents and the public for consultation in October 2018. Following approval by the local planning authority in January 2020, it was subsequently refused by the Greater London Authority in July 2020. The plans are being revised and updated to address the points on which it was refused.

Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided. Future plans are financed primarily from fee income and from reserves. The governors maintain an equitable balance ensuring current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils, just as current pupils benefit today from investment made in the past.

Principal risks and uncertainties

The governors together with the Senior Management Team, have assessed and categorised the risks that the School is, or may become, exposed to ensure that there are satisfactory systems established to mitigate those risks. They believe the principal risks facing the School are the difficulties in attracting key staff to a London school, the effect of managing compliance and the current political climate. Appropriate risk mitigation measures are taken in every case. The assessment of risks and potential risks are detailed in the Risk Management Risk Assessment and reviewed termly by the Committees. Mr D G Henshall has the role of overseeing risk management and reporting on it to the full board of governors.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2021

Coronavirus Pandemic. The most significant strategic risk during this financial period has been the impact on all aspects of the school's life and function of the Coronavirus pandemic. For much of the Spring Term the school delivered its syllabus and a wide range of supporting activities on-line. The School continues to manage this risk through the careful application of COVID-19 related Government guidance for schools, comprehensive risk assessments, strict hygiene, cleaning and social distancing regimes, a redesigned timetable, preparation of a well-tested virtually delivered syllabus where this is required, affordable fees, strict spending controls, and careful and timely communications with all stakeholders.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors of Durston House School Educational Trust Limited 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).

Company law requires the governors to prepare financial statements for each financial year which 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 the income and expenditure, of the charitable for that period. In preparing these financial statements, the governors are required to:

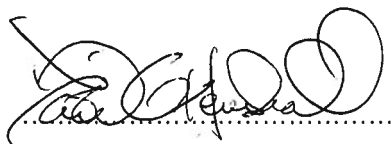
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 disclose with reasonable accuracy at any time of 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.

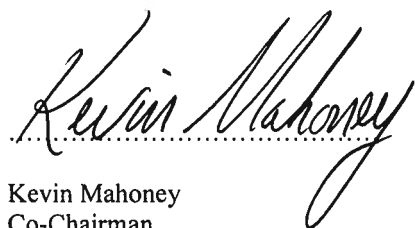
So far as each of the governors is aware at the time the report is approved:

- There is no relevant audit information of which the company's auditors are unaware; and
- The governors have taken all steps that 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.

Approved by the Board of Governors at its meeting on 1 December 2021 and signed on its behalf by:



David Henshall
Co-Chairman



Kevin Mahoney
Co-Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

Opinion

We have audited the financial statements of Durston House School Educational Trust Limited for the year ended 31 August 2021 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 charitable company's affairs as at 31 August 2021 and of the charitable company's net movement in funds, including the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity'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. The other information comprises the information included in the Governors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (which includes the strategic report and the directors' 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 Governors' Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' 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 accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Governors' Responsibilities set out on page 7, 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.

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the regulatory requirements of the Charity Commission and the Independent Schools Inspectorate, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, and payroll taxes.

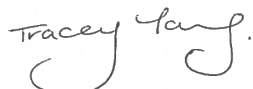
We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in making accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing minutes of Governors' meetings during the year;
- Identifying and testing journals, in particular journal entries posted at the year-end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

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.



Tracey Young (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 14.12.21

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2021

INCOME AND EXPENDITURE		Unrestricted Funds		Total	Total
INCOME FROM	Notes	General Funds	Bursary Funds	2021	2020
		£	£		£
Income from charitable activities					
Tuition fees	1	5,324,004	-	5,324,004	5,057,735
Other educational income	1	56,726	-	56,726	123,389
Voluntary sources					
Donations		2,029	750	2,779	120
CJRS Furlough Income		24,540	-	24,540	178,054
Trading activities					
Lettings income		40,900	-	40,900	39,015
Investments					
Bank interest		28,231	-	28,231	37,683
Other Income					
Business Interruption Insurance Claim		100,000		100,000	-
Total Income		<u>5,576,430</u>	<u>750</u>	<u>5,577,180</u>	<u>5,435,996</u>
EXPENDITURE ON					
Expenditure on charitable activity					
School operating costs:					
Teaching costs		3,280,825	-	3,280,825	3,123,806
Premises costs and maintenance		951,628	-	951,628	799,117
Support costs and governance		1,284,416	-	1,284,416	1,382,880
Total Expenditure	2	<u>5,516,869</u>	<u>-</u>	<u>5,516,869</u>	<u>5,305,803</u>
NET INCOME BEFORE TRANSFERS		59,561	750	60,311	130,193
Transfer between funds		5,691	(5,691)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		65,252	(4,941)	60,311	130,193
Balance brought forward at 1 September 2020		<u>8,298,616</u>	<u>20,439</u>	<u>8,319,055</u>	<u>8,188,862</u>
BALANCE CARRIED FORWARD AT 31 AUGUST 2021		<u><u>8,363,868</u></u>	<u><u>15,498</u></u>	<u><u>8,379,366</u></u>	<u><u>8,319,055</u></u>

The Statement of Financial Activities contains all the income and expenditure recognised in the current and preceding year.

All of the charity's activities during the above two financial years derived from continuing activities.

In 2019-20, donations income of £120 was to the Bursary Fund. All other income or expenditure was unrestricted while there was also a transfer of £14,383 from the Bursary Fund to unrestricted funds.

The accompanying notes form part of these financial statements.

BALANCE SHEET

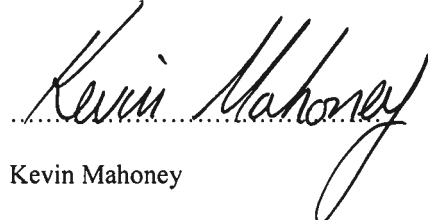
AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		5,460,606		5,694,922
CURRENT ASSETS					
Debtors	7	120,351		231,835	
Cash at bank and in hand		4,481,866		4,037,269	
		<u>4,602,217</u>		<u>4,269,104</u>	
CREDITORS: Amounts falling due within one year	8	<u>(1,057,857)</u>		<u>(1,012,871)</u>	
NET CURRENT ASSETS			<u>3,544,360</u>		<u>3,256,233</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,004,966</u>		<u>8,951,155</u>
CREDITORS: Amounts falling due after more than one year	8		<u>(625,600)</u>		<u>(632,100)</u>
NET ASSETS			<u>8,379,366</u>		<u>8,319,055</u>
UNRESTRICTED FUNDS					
General Fund	9		8,363,868		8,298,616
Designated Bursary Fund	9		15,498		20,439
TOTAL FUNDS			<u>8,379,366</u>		<u>8,319,055</u>

The financial statements were approved and authorised for issue by the Board of Governors on 1 December 2021 and were signed below on its behalf by:



David Henshall



Kevin Mahoney

The accompanying notes form part of these financial statements.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**STATEMENT OF CASH FLOW****YEAR ENDED 31 AUGUST 2021**

	£	2021	£	£	2020	£
Cash flow from operating activities:						
Net income			60,311			130,193
Depreciation			399,378			408,384
Decrease in debtors			111,484			(125,665)
Increase in creditors			38,487			15,772
Interest receivable			(28,231)			(37,683)
			<u>581,429</u>			<u>391,001</u>
Net cash provided by operating activities						
Cash flow from investing activities:						
Interest received	28,231			37,683		
Purchase of tangible fixed assets	(165,063)			(187,011)		
			<u>(136,832)</u>			<u>(149,328)</u>
Net cash used in investing activities						
INCREASE IN CASH AND CASH EQUIVALENTS			444,597			241,673
Cash and cash equivalents at 1 September 2020			4,037,269			3,795,596
Cash and cash equivalents at 31 August 2021			<u>4,481,866</u>			<u>4,037,269</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS						
			2021			2020
			£			£
Cash at bank			83,467			164,170
Deposits			4,398,399			3,873,099
			<u>4,481,866</u>			<u>4,037,269</u>
Cash and cash equivalents at 31 August 2021						

The accompanying notes form part of these financial statements.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF ACCOUNTING POLICIES

YEAR ENDED 31 AUGUST 2021

Durston House School Educational Trust is a charitable company incorporated in England and Wales. Further company information can be found on page 1. The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 17 September 1985 (company number: 1947995) and registered as a charity on 18 June 1986 (charity number: 294670).

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP) – Second Edition, effective 1 January 2019, the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. Consolidated accounts have not been prepared as the subsidiary is dormant and has no assets or liabilities.

The Governors considered the impact that the Coronavirus pandemic has had on the finances of the School and, having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, found that there are no material uncertainties and therefore have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable certainty.

c) Government grant income

Government grant income represents the total amount claimed from HM Revenue and Customs under the Coronavirus Job Retention Scheme (CJRS). The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

d) Expenditure

Expenditure is accounted for on an accruals basis.

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised to directly support the School's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

e) Pension costs

The School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff in 2020-21. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme. Please also see Note 12. All non-teaching staff are members of a defined contribution scheme, where required by pursuant legislation, which complies with the requirements for a stakeholder pension scheme. The School withdrew from the Teachers' Pension Scheme with effect from 31 August 2021 and from 1 September 2021 pensions for the teaching staff are provided through the Aviva APTIS Pension Scheme

f) Fixed assets

All items of a capital nature with a value of over £1,000 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purposes are:

Freehold land	Freehold land is not depreciated.
Freehold buildings	2%
Freehold improvements	10%
Furniture and equipment	33⅓%
Motor vehicles	20%

Freehold improvements include any capital expenditure relating to land and buildings which is believed not to have a useful economic life of 50 years.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF ACCOUNTING POLICIES (continued)

YEAR ENDED 31 AUGUST 2021

g) Financial Instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

h) Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

i) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j) Creditors and Provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

k) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the governors either to further the School's Objects or to benefit the School itself. Where the governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the governors. The use of designated funds remains at the discretion of governors.

l) Critical sources of estimation uncertainty and accounting judgements

In the application of the accounting policies, the governors 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 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 governors, 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.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

1. CHARITABLE ACTIVITIES			2021	2020
			£	£
Fees receivable consist of:				
School fees			5,329,695	5,081,453
Less: total bursaries and hardship awards			(5,691)	(23,718)
			<u>5,324,004</u>	<u>5,057,735</u>
Other educational income				
After school care			23,062	45,975
Extras			7,864	54,514
Acceptance fees not returned			16,000	10,000
Registration fees			7,100	9,800
Test fees			2,700	3,100
			<u>56,726</u>	<u>123,389</u>
2. TOTAL EXPENDITURE			2021	
	Staff costs	Depreciation	Other costs	Total
	£	£	£	£
2021 Charitable activity				
School Operating Costs:				
Teaching costs	3,046,575	-	234,250	3,280,825
Premises and maintenance costs	130,436	399,378	421,814	951,628
Support and governance costs	886,106	-	398,310	1,284,416
	<u>4,063,117</u>	<u>399,378</u>	<u>1,054,374</u>	<u>5,516,869</u>
	Staff costs	Depreciation	Other costs	2020
	£	£	£	Total
				£
2020 Charitable activity				
School Operating Costs:				
Teaching costs	2,870,353	-	253,453	3,123,806
Premises and maintenance costs	131,054	408,384	259,678	799,116
Support and governance costs	1,119,388	-	263,493	1,382,881
	<u>4,120,795</u>	<u>408,384</u>	<u>776,624</u>	<u>5,305,803</u>

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2021

2. TOTAL EXPENDITURE (continued)

	2021 £	2020 £
Governance included in support costs		
Remuneration paid to auditor for audit services	17,670	17,010
	<u>17,670</u>	<u>17,010</u>

	2021 £	2020 £
Total expenditure includes the following		
Auditors remuneration - for audit	17,670	17,010
- other	-	9,600
Depreciation – owned fixed assets	399,378	408,384
	<u>399,378</u>	<u>408,384</u>

3. GOVERNORS' REMUNERATION

The governors received no remuneration during this or the previous year. One governor received reimbursement of travel expenses of £1,157 (2020: £229). During the year the governors purchased indemnity insurance costing £2,009 (2020: £1,125).

4. EMPLOYEES

	2021		2020	
	No.	Full time Equivalents	No.	Full time Equivalents
The average number of employees (full and part time) analysed by function was:				
Teaching - full time	46	46	46	46
- part time	3	2	3	2
Premises - full time	3	3	3	3
Support - full time	15	15	15	15
- part time	22	11	24	11
	<u>89</u>	<u>77</u>	<u>91</u>	<u>77</u>

Teaching staff numbers includes teachers and teaching assistants.

	2021 £	2020 £
The costs incurred in respect of these employees were:		
Wages and salaries	3,198,944	3,217,689
Social Security costs	336,449	329,436
Pension costs	527,724	573,670
	<u>4,063,117</u>	<u>4,120,795</u>

Key management personnel remuneration for the period totalled £299,084 (2020: £267,166)

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2021

4. EMPLOYEES (continued)

The number of employees whose emoluments exceeded £60,000 excluding pension contributions was:

	2021 No.	2020 No.
£60,001 - £70,000	4	4
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£140,001 - £150,000	1	1
	<u>1</u>	<u>1</u>

Defined benefits pension contributions for six employees whose emoluments exceeded £60,000 were £89,298 (2020: £97,393).

Defined contribution pension contributions for one employee whose emolument exceeded £60,000 were £11,965 (2020: £11,964).

5. TANGIBLE FIXED ASSETS	Freehold land and buildings £	Improvement to freehold premises £	Furniture and equipment £	Total £
Cost				
At 31 August 2020	5,357,197	4,084,190	284,622	9,726,009
Additions	-	123,152	41,911	165,063
	<u>5,357,197</u>	<u>4,207,342</u>	<u>326,533</u>	<u>9,891,072</u>
At 31 August 2021				
Depreciation				
At 31 August 2020	2,278,519	1,570,965	181,604	4,031,088
Charge for the year	79,971	271,189	48,218	399,378
	<u>2,358,490</u>	<u>1,842,154</u>	<u>229,822</u>	<u>4,430,466</u>
At 31 August 2021				
Net Book Value				
At 31 August 2021	<u>2,998,707</u>	<u>2,365,188</u>	<u>96,711</u>	<u>5,460,606</u>
At 31 August 2020	<u>3,078,678</u>	<u>2,513,226</u>	<u>103,018</u>	<u>5,694,922</u>

Included in freehold land and buildings is land with a book value of £1,358,666 which is not depreciated.

6. INVESTMENT IN SUBSIDIARY

The company has an investment in a subsidiary undertaking which comprises a holding of 100 ordinary shares of £1 each, being the whole of the issued share capital of Durston House School Limited, a company registered in England. The subsidiary undertaking has been dormant throughout the year and the preceding year and has no assets or liabilities.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2021

7.	DEBTORS		2021		2020
			£		£
	Fee debtors		64,668		90,705
	Pupil disbursements		3,125		-
	Other debtors		20,269		28,609
	Prepayments		14,374		31,532
	Accrued income		17,915		80,989
			<u>120,351</u>		<u>231,835</u>
8.	CREDITORS		2021		2020
			£		£
	Amounts falling due within one year				
	Acceptance fees		36,000		51,600
	Fees in advance		656,826		620,243
	Trade creditors		10,100		33,595
	Other taxes and social security		85,931		86,474
	Other creditors and accruals		269,000		220,959
			<u>1,057,857</u>		<u>1,012,871</u>
	 Amounts falling due after more than one year				
	Acceptance fees		<u>625,600</u>		<u>632,100</u>
9.	ANALYSIS OF NET ASSETS BETWEEN FUNDS				
		Bursary Fund	General Funds		Total Funds
		£	£		£
	Fixed assets	-	5,460,606		5,460,606
	Current assets	15,498	4,586,719		4,602,217
	Creditors due within one year	-	(1,057,857)		(1,057,857)
	Creditors due after one year	-	(625,600)		(625,600)
		<u>15,498</u>	<u>8,363,868</u>		<u>8,379,366</u>
	 Net assets				
		<u>15,498</u>	<u>8,363,868</u>		<u>8,379,366</u>
	2021 Bursary Fund (cumulative movements)	£			
	Transfers from Reserves	446,110			
	Donations received	103,752			
	Bursaries awarded	(534,364)			
		<u>15,498</u>			

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2021

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Comparative information

	Bursary Fund £	General Funds £	Total Funds 2020 £
Fixed assets	-	5,694,922	5,694,922
Current assets	20,439	4,248,665	4,269,104
Creditors due within one year	-	(1,012,871)	(1,012,871)
Creditors due after one year	-	(632,100)	(632,100)
Net assets	<u>20,439</u>	<u>8,298,616</u>	<u>8,319,055</u>

2020 Bursary Fund (cumulative movements)

	£
Transfers from Reserves	446,110
Donations received	103,002
Bursaries awarded	(528,673)
	<u>20,439</u>

- (a) The Bursary Fund represents accumulated income and expenditure which has been designated for use in the funding of pupil bursaries.
- (b) Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

10. LIABILITY OF THE MEMBERS

The company is limited by guarantee. The maximum liability of each member, in the event of the company winding up due to insufficient funds, is £1. The company had twelve members as at 31 August 2021 all of whom were directors.

11. RELATED PARTY TRANSACTIONS

Mr S Hay, son of Mrs S Hay, a governor, is director of a company that provided website support services to the School. The company was paid £7,632 (2020: £4,500) for their services during the year. No balance was owed by the School as at 31 August 2021 (2020: £Nil).

12. PENSION COMMITMENTS

Teaching staff

The School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff in 2020-21. The pension charge for the year includes contributions payable to the TPS of £421,111 (2020: £433,332) and at the year-end £Nil (2020: £51,073) was accrued in respect of contributions to this scheme. The School withdrew from the Teachers' Pension Scheme with effect from 31 August 2021 and from 1 September 2021 pensions for the teaching staff are provided through the Aviva APTIS Pension Scheme.

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

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

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

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

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

Non-teaching staff

The school's contributions to the pension schemes of non-teaching staff in the year were £106,613 (2020: £140,337).

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 294670

Accounts

**DURSTON HOUSE SCHOOL
EDUCATIONAL TRUST LIMITED
(Limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

Registered Company Number: 1947995
Registered Charity Number: 294670

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

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DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2020

REFERENCE AND ADMINISTRATIVE INFORMATION

GOVERNORS

J Allen
D Alexander
S A Armstrong
Prof M Bailey (Resigned 31 August 2020)
C Castelino
Ms A Collier
Mr K S Girn (Appointed 4 December 2019)
Mrs S Hay
D G Henshall (Co-Chairman)
Miss H Kaur
P J Magill
K J Mahoney (Co-Chairman)
Mrs R M Reece

KEY MANAGEMENT PERSONNEL

HEADMASTER

N I Kendrick (Retired 31 August 2020)

BURSAR AND COMPANY SECRETARY

K H G Entwisle (Appointed 1 September 2020)
Mrs J M Twyford

REGISTERED OFFICE

12 Castlebar Road
London W5 2DR

ARCHITECT

ADP Architecture Ltd
150 Waterloo Road
London SE1 8SB

AUDITOR

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

BANK

The Co-operative Bank
16-18 New Broadway
London W5 2XL

CHARTERED SURVEYOR

Gerald Eve
7 Vere Street
London W1M 0JB

INSURANCE BROKER

Hettle Andrews & Associates Ltd
2 Brunswick Square
Birmingham B1 2LP

SOLICITOR

GBH Law Ltd
7/8 Innovation Place
Douglas Drive
Godalming
Surrey GU7 1JX

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2020

The governors, who are also the trustees and directors of the charitable company Durston House School Educational Trust Limited ("the Trust"), present their report and the audited financial statements for the year ended 31 August 2020 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the Charities SORP - Second Edition (effective 1 January 2019).

GOVERNING DOCUMENTS

Durston House School Educational Trust Limited was set up under its Memorandum and Articles of Association dated 17 September 1985 as a company limited by guarantee, number 1947995 and also a charity with the Charity Commission, number 294670. The School, previously privately owned, was established in 1886.

AIM

The School's strategic aim, as a charitable independent school operating for the public benefit, is the attainment of the highest academic levels with the benefit of a comprehensive extra-curricular programme.

OBJECTIVES

The principal object of the School is to promote and provide for the advancement of education for boys aged from 4 to 13 years.

In the furtherance of this object the governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Objectives for the Year

The principal objectives for the year were:

- to secure one hundred per cent success with regard to Year 8 pupils' entry into senior schools and academic scholarships results in keeping with the school's academic expectations;
- to continue and, where possible, increase the provision of means-tested bursaries to facilitate wider access to the provision of education at Durston House;
- to develop the School's profile, with regard to public benefit, in a manner that will encourage a greater level of involvement in the local community; and
- to continue the development of plans to combine the three sections of the school on to the Carlton Road site.

ETHOS, STRATEGY AND POLICIES

Ethos

Durston House is a preparatory school for boys, welcoming those from all ethnic, cultural and religious backgrounds. The School is proud of its diversity. It is a community in which mutual respect and understanding, fairness and opportunities for all are promoted within the framework of its Christian foundation.

Strategy

The governors are responsible for setting strategy. The focus of their strategy is on the development of the pupils, their continued high levels of academic and co-curricular achievement and the broadening of access to the education the school provides. In taking this strategy forward the governors:

- Ensure the range of extra-curricular activities available to pupils is stimulating and challenging;
- Invest in technology and the infrastructure of the school; and
- Develop methods for awarding bursaries to ensure wider access to pupils from all backgrounds.

Durston House School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims and welcomes pupils from all backgrounds. Fees are set at a level to ensure the financial viability of the school.

Access Policy

It is important that access to the education offered is not restricted to those who can afford full fees. The governors believe pupils benefit from learning within a diverse community. The governors will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2020

Bursary policy

Durston House bursary awards are available to all who meet its general entry requirements and are made solely, and subject to the entry requirements, on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. The bursary awards range from 50% to 100% remission of fees. Each year advertisements for bursary applicants are placed in the local press and at local schools, libraries and churches.

Assistance for teaching staff

As part of the emphasis on attracting and retaining high calibre staff, the school offers a means tested discount scheme where staff members choose to educate their children at Durston House.

Community access

The governors see Durston House School as a part of a wider community. Where the School can assist the community without detriment to advancing the education of its pupils the governors are delighted to do so.

A Register of Public Benefit Initiatives records appropriate ventures, including targets for the provision of means tested bursaries as a proportion of the total number of pupils on role, and the school's links with the local community, including community use of the School's playing fields.

The Head of Complementary Curriculum acts as the charities coordinator arranging various activities during the year, supported by parents and pupils, to raise funds for other organisations. The nominated charities for the year were firstly the Dorabors who rowed across the Atlantic raising money for the Teenage Cancer Trust, and secondly The Read Foundation: a charity that builds and runs schools in poor communities in India and Bangladesh so that local children can receive an education.

ESTATES DEVELOPMENT

The draft development plans to combine the three sections of the school on to the Carlton Road site were presented to staff, parents and the public for consultation in October 2018. A planning application was submitted to the local planning authority in January 2020 and granted approval. Subsequently, as required, it was submitted to the Greater London Authority, where in July 2020, it was refused. The governors considered their options and agreed that the plans should be revised and updated to address the points on which it was refused.

The programme of routine maintenance to ensure high standards are maintained across all school sites continued.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The Annual General Meeting is held in March each year. The governors of the School, who are also directors of the Company, are appointed in accordance with the Memorandum and Articles of Association. Responsibility for the overall management and organisation of the School rests with the governors, who meet at least on a termly basis. They are supported in carrying out their responsibilities by the Education and Welfare, Estates Development, Finance, Governance and Marketing Committees, meeting termly.

Membership of the five Committees is as follows – Education and Welfare: D Alexander (Chair), Prof. M Bailey, Ms A Collier and D Henshall; Estates Development: K J Mahoney (Chair), J Allen, C Castelino and P J Magill; Finance C Castelino (Chair), Ms A Collier, Mr K S Girm and K J Mahoney; Governance: D G Henshall (Chair), Miss H Kaur, P J Magill and Mrs R M Reece; Marketing: S A Armstrong (Chair), Mrs S Hay, K J Mahoney and Mrs R M Reece.

Operational Management

The task of running the School on a day-to-day basis is delegated to the Headmaster and Bursar. The Headmaster and the Bursar attend the governors' meetings and those of the Education and Welfare, Estates Development, Finance, Governance and Marketing Committees. The Headmaster is assisted by the Senior Management Team comprising the Deputy Head, who also attends meetings of the Education and Welfare Committee, the Director of Studies, Head of Co-Curricular, Head of Junior School, Head of Pre-Prep and the Bursar.

Governor Recruitment, Induction and Training

The Governance Committee regularly reviews the mix of skills that is available to the Board. New governors are appointed by the Board until the date of the next Annual General Meeting at which they are eligible for election for a period of three years. All new governors receive an induction pack, which explains their role, the role of the Board, and details of Charity Commission and Companies House requirements. They are assigned a mentor, offered a tour of the School and given background information on previous Board decisions, Board papers, current financial position, information about the School and future developments. Governors attend a range of courses aimed at keeping them up to date with matters relevant to their roles, including Safeguarding training. These are provided by the Association of Governing Bodies of Independent Schools (AGBIS), Haysmacintyre LLP, the Trust's auditors, and iHasco. One governor spends a day in school each term shadowing a member of staff or department and one attends a meeting of the Senior Management Team.

Governors' Interests

None of the governors has a financial or beneficial interest in the trust.

Remuneration of Key Management Personnel

Remuneration policy for key management personnel is set by the governors. 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. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

STRATEGIC REPORT

Achievements and Performance

Pupils

At the beginning of the year there were 384 pupils on roll. During the course of the year 19 pupils left the School. There were four admissions during the course of the school year; we therefore ended the school year with 369 pupils.

All boys in Year 8 scored sufficiently well in Common Entrance (or individual school entrance examinations) to gain places at their chosen schools at 13+. Six awards were offered; one Academic and two Sports Scholarships at Hampton School, one Academic Scholarship at John Lyon school, one Minor Scholarship at Merchant Taylors' School and one Sports Scholarship at Charterhouse, although this one was declined in favour of a place at Harrow. The 29 Year 8 pupils leaving in July 2020 gained entry to the following schools: five to Hampton School, two to The John Lyon School, eleven to Merchant Taylors', four to St Paul's, three to St Benedict's and one each to Harrow, St James, Hurlingham Academy and Westminster. 12 pupils left at 11+, gaining entry to the following schools: two to Merchant Taylors', St Benedict's and Hampton; one each to St Paul's Juniors, City of London, John Lyon, Drayton Manor, Ipswich and Ada Lovelace.

Bursaries

One pupil was supported by Durston House School during the year with a 100% bursary.

Covid-19

The impact of the Coronavirus pandemic (COVID-19) required changes to the running of the School and the educational provision for pupils. The school was locked down the week before the Easter holidays but remained open throughout the holidays to care for key workers' children. Home Learning was initially provided through the Virtual Learning Environment (VLE), a platform staff and pupils were already accustomed to using. It gave them a better understanding of how to upload work and how to assess and mark it effectively, as well as communicating with each other and their pupils. The School invested in Zoom, the online meeting and video conferencing tool, through which live-streamed lessons, in most subjects, and Form Time were provided. The School remained open in the Summer Term to care for key workers' children. Lessons were delivered to all Year Groups online for the first half of the term. Although the challenges of delivering an academic, extra-curricular, pastoral and social programme were considerable, the online teaching and learning was well received. A comprehensive risk assessment was undertaken before it was deemed safe for Reception, Years 1 and 6 to return to physical schooling, joining key workers' children on 1st June and remaining in school until the end of that term while home learning through Zoom and the VLE continued for the other year groups. Since September 2020, meetings, assemblies, music, art and cultural sessions and lessons for any boys who are isolating at home, have been delivered using Zoom.

Staff

The staff – full and part-time, teaching and support – numbered 91 (77 full-time equivalents). During the course of the year, four full-time members of the teaching staff left; four full-time teachers were appointed in their place. The Board of Governors wish to express their thanks to the Headmaster and staff for their contributions and efforts during the year, especially with regard to the significant changes required to meet government rules post Covid.

Pastoral Care

Durston House is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The School has 'vertical grouping' within the organisation of the four 'Houses' and 'Vertical Group' meetings at which younger and older pupils work together on a number of projects including workshops on anti-bullying.

Co-curricular activities:

Sport

Sport continued to play a full part in the life of the School. Pre-Covid, Saturday and Sunday morning football and rugby tournaments at the Swyncombe Playing Field were well attended by visiting schools and large numbers of parents. Boys are encouraged to participate in team sports – notably football, rugby union, hockey and cricket – at a number of ability levels within their age groups. All cricket and the annual athletic sports event at the Perivale Stadium, normally a highlight of the summer term, had to be cancelled in accordance with Government Guidance on the Coronavirus pandemic.

Music

Many of the pupils learn at least one musical instrument and belong to various ensemble groups. Boys in Years 3-8 are invited to perform as solo artists or ensembles at the Annual Music Concert. In 2019-20, owing to Government Guidance on Coronavirus measures this could not take place in St Peter's Church but a scaled down event with pupils performing to their peers in school did take place. The Junior School and Upper & Middle School choirs also perform at this concert and the annual Carol Service.

Drama

All pupils have the opportunity to take part in small scale drama activities and/or major productions. At the end of the Autumn Term, the Pre-Prep put on a production of 'The Elves and the Shoemaker'. Unfortunately, as a result of the Government Guidance on the Coronavirus pandemic, the Junior School's production 'Treasure Island' at the end of the Spring Term had to be performed to peers as no parents were allowed in school. It was not possible to have a Year 8 production at the end of the Summer Term.

Trips and Outings

The extension of the curriculum beyond the classroom continued to feature prominently in the school calendar. All pupils benefited from a large number of one-day trips to places of educational and cultural interest in the Autumn and Spring Terms. The Trips Policy includes funded residential trips for all pupils in Years 4 to 8 in the Summer Term, however as a result of the Government's Guidance on the Coronavirus pandemic these could not take place in 2019-20.

Environmental Initiatives: Cutting the 'carbon footprint'

The School continues to take very seriously the importance of environmental sustainability in its day-to-day operations. This is demonstrated by many practical environmental and recycling programmes to reduce emissions in the buildings and by educational initiatives. The school hopes that by setting a good example as an institution, it can help to influence the expectations and behaviour of its pupils as future citizens and leaders.

Financial Review

The governors believe that in order for any successful school to maintain, upgrade and improve the facilities it offers there has to be a financial surplus for the required investment in future projects. Therefore financial targets have been set to assist in the budgeting process and in monitoring performance. The present targets include:

- a) surplus as a percentage of tuition fees of 8%
- b) cash flow as a percentage of tuition fees of 15%
- c) teaching staff costs of not more than 55% of tuition fees.

The actual results for the year show the following:

- a) A surplus for the year of £130,193 (2019: £366,193), 3% of tuition fees (2019: 7%)
- b) Surplus from operations before depreciation of £538,577 (2019: £740,527), 11% of tuition fees (2019: 14%)
- c) Teaching staff costs of £2,870,353 (2019: £2,807,773), 57% of tuition fees (2019: 53%)

The surplus for the year decreased by £236,000 on 2019. The main factors behind this were:

- a) An increase in average tuition fees of 3.44% offset by a decrease in pupil numbers of 11 and a 25% discount on fees offered in the Summer term as the school had to be partially closed in accordance with government guidance on the Coronavirus pandemic, resulting in a decrease in fees income of £193,544.
- b) A rise in overall staff costs of £279,531 (7.3%) reflecting the annual pay award plus incremental increases and the increases in the employer's Teachers' Pensions contributions.
- c) Funding of £178,054 received from the Coronavirus Job Retention Scheme (CJRS), included in income, not netted off against costs.

Reserves Policy

The Trust's unrestricted funds stood at £8.3 million at the year-end, most of which is deployed to fund tangible fixed assets totaling £5.7 million. At the year end, free reserves stood at £2.6 million. The need for day-to-day working capital is met by careful management of short-term liquid resources. Free reserves are monitored termly by reference to cash flow projections to year-end and for a further five years when major capital projects are being considered. This has allowed the governors to plan the investment of substantial sums in the new Junior School building and the development of the existing buildings in recent years. The policy is therefore to continue to build reserves out of annual operating surpluses. The School intends to continue the standard of educational services currently provided.

Plans for future periods

The governors' strategy is to invest in high quality facilities for education. They have been working on plans to combine the three sections of the School on to the Carlton Road site for some time and presented these to staff, parents and the public for consultation in October 2018. Following approval by the local planning authority in January 2020, it was subsequently refused by the Greater London Authority in July 2020. The plans will be revised and updated to address the points on which it was refused.

Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided.

Future plans are financed primarily from fee income and from reserves. The governors maintain an equitable balance ensuring current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils, just as current pupils benefit today from investment made in the past.

Principal risks and uncertainties

The governors together with the Senior Management Team, have assessed and categorised the risks that the School is, or may become, exposed to ensure that there are satisfactory systems established to mitigate those risks. They believe the principal risks facing the School are the difficulties in attracting key staff to a London school, the effect of managing compliance and the current political climate. Appropriate risk mitigation measures are taken in every case. The assessment of risks and potential risks are detailed in the Risk Management Risk Assessment and reviewed termly by the Committees. Mr D G Henshall has the role of overseeing risk management and reporting on it to the full board of governors.

Coronavirus Pandemic. The most significant strategic risk during this financial period has been the impact on all aspects of the school's life and function of the Coronavirus pandemic. For much of the Summer Term the school delivered its syllabus and a wide range of supporting activities on-line; three year groups, Reception and Years 1 and 6 returning only for second half of the term, thereby increasing parental confidence and engagement. Mindful that a full schooling experience was not being delivered in all respects, Governors determined that the summer term's fees be reduced, thereby depleting the School's end-of-year operating surplus. The risk now centres on the enduring nature of the pandemic, disruption to fee-payers earning capacity, and the nature of limitations placed by the pandemic on schooling and pupil numbers. We manage this risk through the careful application of COVID-19 related Government guidance for schools, comprehensive risk assessments, strict hygiene, cleaning and social distancing regimes, a redesigned timetable, preparation of a well-tested virtually delivered syllabus where this is required, affordable fees, strict spending controls, and careful and timely communications with all stakeholders.

STATEMENT OF GOVERNORS RESPONSIBILITIES

The governors (who are also directors of Durston House School Educational Trust Limited 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).

Company law requires the governors to prepare financial statements for each financial year which 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 the income and expenditure, of the charitable for that period. In preparing these financial statements, the governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 disclose with reasonable accuracy at any time of 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.

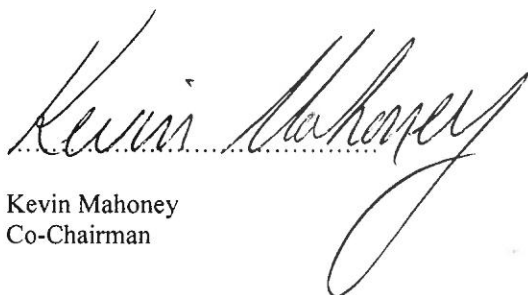
So far as each of the governors is aware at the time the report is approved:

- There is no relevant audit information of which the company's auditors are unaware; and
- The governors have taken all steps that 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.

Approved by the Board of Governors at its meeting on 2 December 2020 and signed on its behalf by:



David Henshall
Co-Chairman



Kevin Mahoney
Co-Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

Opinion

We have audited the financial statements of Durston House School Educational Trust Limited for the year ended 31 August 2020 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 charitable company's affairs as at 31 August 2020 and of the charitable company's net movement in funds, including the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Governors' Responsibilities, 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.

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.

Conclusions relating to going concern

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (which includes the strategic report and the directors' 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 Governors' Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' 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 accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.



Tracey Young (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

15 February 2021

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2020

INCOME AND EXPENDITURE		Unrestricted Funds General Funds £	Bursary Funds £	Total	Total 2019 £
INCOME FROM	Notes				
Income from charitable activities					
Tuition fees	1	5,057,735	-	5,057,735	5,251,280
Other educational income	1	123,389	-	123,389	146,849
Voluntary sources					
Donations		-	120	120	12,250
CJRS Furlough Income		178,054	-	178,054	-
Trading activities					
Lettings income		39,015	-	39,015	44,410
Investments					
Bank interest		37,683	-	37,683	37,880
Total Income		<u>5,435,876</u>	<u>120</u>	<u>5,435,996</u>	<u>5,492,669</u>
EXPENDITURE ON					
Expenditure on charitable activity					
School operating costs:					
Teaching costs		3,123,806	-	3,123,806	3,206,147
Premises costs and maintenance		799,117	-	799,117	748,917
Support costs and governance		1,382,880	-	1,382,880	1,171,412
Total Expenditure	2	<u>5,305,803</u>	<u>-</u>	<u>5,305,803</u>	<u>5,126,476</u>
NET INCOME BEFORE TRANSFERS		130,073	120	130,193	366,193
Transfer between funds		14,383	(14,383)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		144,456	(14,263)	130,193	366,193
Balance brought forward at 1 September 2019		<u>8,154,160</u>	<u>34,702</u>	<u>8,188,862</u>	<u>7,822,669</u>
BALANCE CARRIED FORWARD AT 31 AUGUST 2020		<u><u>8,298,616</u></u>	<u><u>20,439</u></u>	<u><u>8,319,055</u></u>	<u><u>8,188,862</u></u>

The Statement of Financial Activities contains all the income and expenditure recognised in the current and preceding year.

All of the charity's activities during the above two financial years derived from continuing activities.

In 2018-19, donations income of £12,250 was to the Bursary Fund. All other income or expenditure was unrestricted while there was also a transfer of £91,080 from the Bursary Fund to unrestricted funds.

The accompanying notes form part of these financial statements.

BALANCE SHEET

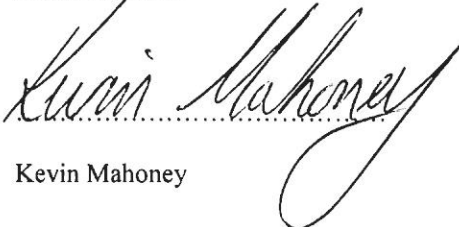
AS AT 31 AUGUST 2020

	Notes	£	2020	£	£	2019	£
FIXED ASSETS							
Tangible assets	5			5,694,922			5,916,295
CURRENT ASSETS							
Debtors	7	231,835				106,170	
Cash at bank and in hand		4,037,269				3,795,596	
				<u>4,269,104</u>		<u>3,901,766</u>	
CREDITORS: Amounts falling due within one year	8	<u>(1,012,871)</u>				<u>(978,199)</u>	
NET CURRENT ASSETS				<u>3,256,233</u>			<u>2,923,567</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>8,951,155</u>			<u>8,839,862</u>
CREDITORS: Amounts falling due after more than one year	8			<u>(632,100)</u>			<u>(651,000)</u>
NET ASSETS				<u><u>8,319,055</u></u>			<u><u>8,188,862</u></u>
UNRESTRICTED FUNDS							
General Fund	9			8,298,616			8,154,160
Designated Bursary Fund	9			20,439			34,702
TOTAL FUNDS				<u><u>8,319,055</u></u>			<u><u>8,188,862</u></u>

The financial statements were approved and authorised for issue by the Board of Governors on 2 December 2020 and were signed below on its behalf by:



David Henshall



Kevin Mahoney

The accompanying notes form part of these financial statements.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF CASH FLOW

YEAR ENDED 31 AUGUST 2020

	£	2020	£	£	2019	£
Cash flow from operating activities:						
Net income			130,193		366,193	
Depreciation			408,384		374,334	
Increase in debtors			(125,665)		(2,458)	
Increase in creditors			15,772		37,424	
Interest receivable			(37,683)		(37,880)	
			<u>391,001</u>		<u>737,613</u>	
Net cash provided by operating activities						
Cash flow from investing activities:						
Interest received	37,683			37,880		
Purchase of tangible fixed assets	(187,011)			(867,661)		
			<u>(149,328)</u>		<u>(829,781)</u>	
Net cash used in investing activities						
INCREASE IN CASH AND CASH EQUIVALENTS						
			241,673		(92,168)	
Cash and cash equivalents at 1 September 2019			3,795,596		3,887,764	
			<u>4,037,269</u>		<u>3,795,596</u>	
Cash and cash equivalents at 31 August 2020			<u><u>4,037,269</u></u>		<u><u>3,795,596</u></u>	
ANALYSIS OF CASH AND CASH EQUIVALENTS						
			2020		2019	
			£		£	
Cash at bank			164,170		131,947	
Deposits			3,873,099		3,663,649	
			<u>4,037,269</u>		<u>3,795,596</u>	
Cash and cash equivalents at 31 August 2020			<u><u>4,037,269</u></u>		<u><u>3,795,596</u></u>	

The accompanying notes form part of these financial statements.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF ACCOUNTING POLICIES

YEAR ENDED 31 AUGUST 2020

Durston House School Educational Trust is a charitable company incorporated in England and Wales. Further company information can be found on page 1. The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 17 September 1985 (company number: 1947995) and registered as a charity on 18 June 1986 (charity number: 294670).

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP) – Second Edition, effective 1 January 2019, the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. Consolidated accounts have not been prepared as the subsidiary is dormant and has no assets or liabilities.

The Governors considered the impact that the Coronavirus pandemic has had on the finances of the school and, having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, found that there are no material uncertainties and therefore have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable certainty.

c) Government grant income

Government grant income represents the total amount claimed from HM Revenue and Customs under the Coronavirus Job Retention Scheme (CJRS). The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

d) Expenditure

Expenditure is accounted for on an accruals basis.

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised to directly support the school's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

e) Pension costs

The Trust contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme. Please also see Note 12. All non-teaching staff are members of a defined contribution scheme, where required by pursuant legislation, which complies with the requirements for a stakeholder pension scheme.

f) Fixed assets

All items of a capital nature with a value of over £1,000 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purposes are:

Freehold land	Freehold land is not depreciated.
Freehold buildings	2%
Freehold improvements	10%
Furniture and equipment	33⅓%
Motor vehicles	20%

Freehold improvements include any capital expenditure relating to land and buildings which is believed not to have a useful economic life of 50 years.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF ACCOUNTING POLICIES (continued)

YEAR ENDED 31 AUGUST 2020

g) Financial Instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

h) Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

i) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j) Creditors and Provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

k) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the governors either to further the School's Objects or to benefit the School itself. Where the governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the governors. The use of designated funds remains at the discretion of governors.

l) Critical sources of estimation uncertainty and accounting judgements

In the application of the accounting policies, the governors 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 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 governors, 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.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

1. CHARITABLE ACTIVITIES			2020 £	2019 £
Fees receivable consist of:				
School fees			5,081,453	5,342,360
Less: total bursaries and hardship awards			(21,718)	(91,080)
			<u>5,059,735</u>	<u>5,251,280</u>
Other educational income				
After school care			45,975	50,699
Extras			54,514	67,306
Acceptance fees not returned			10,000	16,400
Registration fees			9,800	9,400
Commission received			-	-
Test fees			3,100	2,900
Sundry income			-	144
			<u>123,389</u>	<u>146,849</u>
2. TOTAL EXPENDITURE			2020 Total £	
	Staff costs £	Depreciation £	Other costs £	
Charitable activity				
School Operating Costs:				
Teaching costs	2,870,353	-	253,453	3,123,806
Premises and maintenance costs	131,054	408,384	259,678	799,116
Support and governance costs	1,119,388	-	263,493	1,382,881
	<u>4,120,795</u>	<u>408,384</u>	<u>776,624</u>	<u>5,305,803</u>
	Staff costs £	Depreciation £	Other costs £	2019 Total £
2019 Charitable activity				
School Operating Costs:				
Teaching costs	2,807,773	-	398,374	3,206,147
Premises and maintenance costs	122,109	374,334	252,474	748,917
Support and governance costs	911,382	-	260,030	1,171,412
	<u>3,841,264</u>	<u>374,334</u>	<u>910,878</u>	<u>5,126,476</u>

2. TOTAL EXPENDITURE (continued)

	2020 £	2019 £
Governance included in support costs		
Remuneration paid to auditor for audit services	17,010	16,350
	<u>17,010</u>	<u>16,350</u>

	2020 £	2019 £
Total expenditure includes the following		
Auditors remuneration - for audit	17,010	16,350
- other	9,600	-
Depreciation – owned fixed assets	408,384	371,334
	<u>408,384</u>	<u>371,334</u>

3. GOVERNORS' REMUNERATION

The governors received no remuneration during this or the previous year. One governor received reimbursement of travel expenses of £229 (2019: £75 one governor). During the year the governors purchased indemnity insurance costing £1,125 (2019: £1,035).

4. EMPLOYEES

	2020		2019	
	No.	Full time Equivalents	No.	Full time Equivalents
The average number of employees (full and part time) analysed by function was:				
Teaching - full time	46	46	46	46
- part time	3	2	3	2
Premises - full time	3	3	3	3
Support - full time	15	15	15	15
- part time	24	11	24	11
	<u>91</u>	<u>77</u>	<u>91</u>	<u>77</u>

Teaching staff numbers includes teachers and teaching assistants.

	2020 £	2019 £
The costs incurred in respect of these employees were:		
Wages and salaries	3,217,689	3,123,260
Social Security costs	329,436	310,081
Pension costs	573,670	407,923
	<u>4,120,795</u>	<u>3,841,264</u>

Key management personnel remuneration for the period totalled £267,166 (2019: £249,022)

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2020

4. EMPLOYEES (continued)

The number of employees whose emoluments exceeded £60,000 excluding pension contributions was:

	2020 No.	2019 No.
£60,001 - £70,000	4	4
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£110,001 - £120,000	1	1

Defined benefits pension contributions for six employees whose emoluments exceeded £60,000 were £97,393 (2019: £65,948).

Defined contribution pension contributions for one employee whose emolument exceeded £60,000 were £11,964 (2019: £11,712).

5. TANGIBLE FIXED ASSETS	Freehold land and buildings £	Improvement to freehold premises £	Motor vehicles £	Furniture and equipment £	Total £
Cost					
At 31 August 2019	5,357,197	3,920,507	87,195	322,157	9,687,056
Additions	-	163,683	-	23,328	187,011
Disposals	-	-	(87,195)	(60,863)	(148,058)
	<u>5,357,197</u>	<u>4,084,190</u>	<u>-</u>	<u>284,622</u>	<u>9,726,009</u>
Depreciation					
At 31 August 2019	2,198,548	1,302,611	87,195	182,407	3,770,761
Charge for the year	79,971	268,353	-	60,060	408,384
Disposals	-	-	(87,195)	(60,863)	(148,058)
	<u>2,278,519</u>	<u>1,570,964</u>	<u>-</u>	<u>181,604</u>	<u>4,031,087</u>
Net Book Value					
At 31 August 2020	<u>3,078,678</u>	<u>2,513,226</u>	<u>-</u>	<u>103,018</u>	<u>5,694,922</u>
At 31 August 2019	<u>3,158,649</u>	<u>2,617,896</u>	<u>-</u>	<u>139,750</u>	<u>5,916,295</u>

Included in freehold land and buildings is land with a book value of £1,358,666 which is not depreciated.

6. INVESTMENT IN SUBSIDIARY

The company has an investment in a subsidiary undertaking which comprises a holding of 100 ordinary shares of £1 each, being the whole of the issued share capital of Durston House School Limited, a company registered in England. The subsidiary undertaking has been dormant throughout the year and the preceding year and has no assets or liabilities.

DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2020

7.	DEBTORS	2020	2019
		£	£
	Fee debtors	90,705	4,954
	Pupil disbursements	-	41,786
	Other debtors	28,609	32,670
	Prepayments	31,532	20,183
	Accrued income	80,989	6,577
		<u>231,835</u>	<u>106,170</u>
8.	CREDITORS	2020	2019
		£	£
	Amounts falling due within one year		
	Acceptance fees	51,600	36,000
	Fees in advance	620,243	719,581
	Trade creditors	33,595	10,698
	Other taxes and social security	86,474	78,237
	Other creditors and accruals	220,959	133,683
		<u>1,012,871</u>	<u>978,199</u>
	Amounts falling due after more than one year		
	Acceptance fees	<u>632,100</u>	<u>651,000</u>
9.	ANALYSIS OF NET ASSETS BETWEEN FUNDS		Total
		Bursary	Funds
		Fund	2020
		£	£
	Fixed assets	-	5,694,922
	Current assets	20,439	4,248,665
	Creditors due within one year	-	(1,012,871)
	Creditors due after one year	-	(632,100)
	Net assets	<u>20,439</u>	<u>8,298,616</u>
			<u>8,319,055</u>
	 Bursary Fund (cumulative movements)	 £	
	Transfers from Reserves	446,110	
	Donations received	103,002	
	Bursaries awarded	(528,673)	
		<u>20,439</u>	

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**Comparative information**

	Bursary Fund £	General Funds £	Total Funds 2019 £
Fixed assets	-	5,916,295	5,916,295
Current assets	34,702	3,867,064	3,901,766
Creditors due within one year	-	(978,199)	(978,199)
Creditors due after one year	-	(651,000)	(651,000)
Net assets	<u>34,702</u>	<u>8,154,160</u>	<u>8,188,862</u>

Bursary Fund (cumulative movements)

	£
Transfers from Reserves	446,110
Donations received	102,882
Bursaries awarded	(514,290)
	<u>34,702</u>

- (a) The Bursary Fund represents accumulated income and expenditure which has been designated for use in the funding of pupil bursaries.
- (b) Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

10. LIABILITY OF THE MEMBERS

The company is limited by guarantee. The maximum liability of each member, in the event of the company winding up due to insufficient funds, is £1. The company had twelve members as at 31 August 2020 all of whom were directors.

11. RELATED PARTY TRANSACTIONS

Mr S Hay, son of Mrs S Hay, a governor, is director of a company that provided website support services to the School. The company was paid £4,500 (2019: £4,500) for their services during the year. No balance was owed by the School as at 31 August 2020 (2019: £Nil).

12. PENSION COMMITMENTS

Teaching staff

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 £433,332 (2019: £282,704) and at the year-end £51,073 (2019: £37,650) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Non-teaching staff

The school's contributions to the pension schemes of non-teaching staff in the year were £140,337 (2019: £125,219).