

**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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**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 Girm (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**

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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.



### **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.

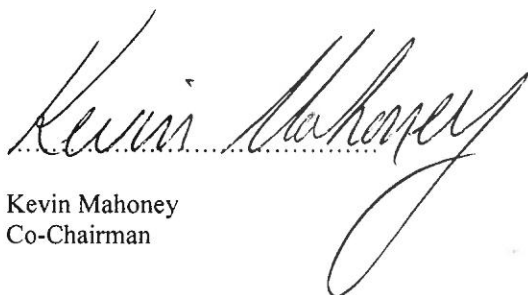
So far as each of the governors is aware at the time the report is approved:

- 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

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## 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](http://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)**

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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

15 February 2021

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

**DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31 AUGUST 2020**

<b>INCOME AND EXPENDITURE</b>		<b>Unrestricted Funds General Funds £</b>	<b>Funds Bursary Funds £</b>	<b>Total</b>	<b>Total 2019 £</b>
<b>INCOME FROM</b>	<b>Notes</b>				
<b>Income from charitable activities</b>					
Tuition fees	1	5,057,735	-	5,057,735	5,251,280
Other educational income	1	123,389	-	123,389	146,849
<b>Voluntary sources</b>					
Donations		-	120	120	12,250
CJRS Furlough Income		178,054	-	178,054	-
<b>Trading activities</b>					
Lettings income		39,015	-	39,015	44,410
<b>Investments</b>					
Bank interest		37,683	-	37,683	37,880
<b>Total Income</b>		<u>5,435,876</u>	<u>120</u>	<u>5,435,996</u>	<u>5,492,669</u>
<b>EXPENDITURE ON</b>					
<b>Expenditure on charitable activity</b>					
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
<b>Total Expenditure</b>	2	<u>5,305,803</u>	<u>-</u>	<u>5,305,803</u>	<u>5,126,476</u>
<b>NET INCOME BEFORE TRANSFERS</b>		130,073	120	130,193	366,193
Transfer between funds		14,383	(14,383)	-	-
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		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>
<b>BALANCE CARRIED FORWARD AT 31 AUGUST 2020</b>		<u>8,298,616</u>	<u>20,439</u>	<u>8,319,055</u>	<u>8,188,862</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

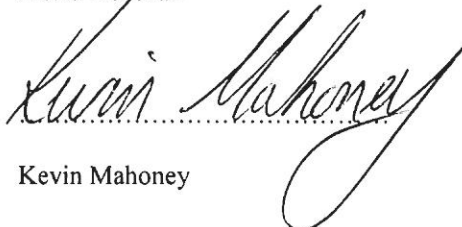
AS AT 31 AUGUST 2020

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

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	£
<b>Cash flow from operating activities:</b>						
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)
<b>Net cash provided by operating activities</b>			<u>391,001</u>			<u>737,613</u>
<b>Cash flow from investing activities:</b>						
Interest received		37,683			37,880	
Purchase of tangible fixed assets		(187,011)			(867,661)	
<b>Net cash used in investing activities</b>			<u>(149,328)</u>			<u>(829,781)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>			241,673			(92,168)
Cash and cash equivalents at 1 September 2019			3,795,596			3,887,764
Cash and cash equivalents at 31 August 2020			<u>4,037,269</u>			<u>3,795,596</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			<b>2020</b>			<b>2019</b>
			<b>£</b>			<b>£</b>
Cash at bank			164,170			131,947
Deposits			3,873,099			3,663,649
Cash and cash equivalents at 31 August 2020			<u>4,037,269</u>			<u>3,795,596</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.

STATEMENT OF ACCOUNTING POLICIES (continued)

YEAR ENDED 31 AUGUST 2020

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**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**

<b>1. CHARITABLE ACTIVITIES</b>				<b>2020</b>	<b>2019</b>
				<b>£</b>	<b>£</b>
<b>Fees receivable consist of:</b>					
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>
<b>Other educational income</b>					
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>
<b>2. TOTAL EXPENDITURE</b>				<b>2020</b>	
	<b>Staff costs</b>	<b>Depreciation</b>	<b>Other costs</b>	<b>Total</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
<b>Charitable activity</b>					
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>	
<b>2019 Charitable activity</b>					
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 £
<b>Governance included in support costs</b>		
Remuneration paid to auditor for audit services	17,010	16,350
	<u>17,010</u>	<u>16,350</u>

	2020 £	2019 £
<b>Total expenditure includes the following</b>		
Auditors remuneration - for audit	17,010	16,350
- other	9,600	-
Depreciation – owned fixed assets	<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 No.	Full time Equivalents	2019 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 £
<b>Cost</b>					
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>
<b>At 31 August 2020</b>	<b>5,357,197</b>	<b>4,084,190</b>	<b>-</b>	<b>284,622</b>	<b>9,726,009</b>
<b>Depreciation</b>					
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>
<b>At 31 August 2020</b>	<b>2,278,519</b>	<b>1,570,964</b>	<b>-</b>	<b>181,604</b>	<b>4,031,087</b>
<b>Net Book Value</b>					
At 31 August 2020	3,078,678	2,513,226	-	103,018	5,694,922
At 31 August 2019	3,158,649	2,617,896	-	139,750	5,916,295

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			
		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>
	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**

	<b>Bursary Fund £</b>	<b>General Funds £</b>	<b>Total Funds 2019 £</b>
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)**

	<b>£</b>
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).