

DURLSTON COURT SCHOOL TRUST LIMITED

England & Wales · Charity number 307325

Details

Other names	DURLSTON COURT SCHOOL
Status	Registered
Legal form	Charitable company
Company number	01091930
Registered	1973-03-07
Register	View on the Charity Commission register

Contact

Address	Durlston School 52 Becton Lane Barton On Sea New Milton Hampshire BH25 7AQ
Phone	01425626234
Email	bursar@durlstoncourt.co.uk
Website	www.durlstoncourt.co.uk

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 SCHOOL OR SCHOOLS FOR THE EDUCATION OF CHILDREN OR EITHER SEX OR BOTH SEXES.

Activities: The Charity provides a high standard of all-round education for children aged 2 to 13

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

Geography

- Hampshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£4,096,982	£4,022,346	£2,144,567	112
2024-08-31	£3,681,539	£3,745,783	£2,069,931	107
2023-08-31	£3,058,974	£3,258,104	£2,134,175	94
2022-08-31	£2,795,315	£2,997,798	£2,333,295	94
2021-08-31	£2,775,161	£3,037,293	£2,511,895	95
2020-08-31	£2,968,288	£3,013,546	£2,457,135	97

Trustees

Name	Role	Appointed
CHANDRA CLIVE ASHFIELD	Chair	2005-06-22
COLIN GEOFFREY LEWIS		2007-03-15
Lindsey Otten Mrs		2020-03-09
NICOLA JAMES		2010-08-19
PAUL ANTHONY ETHERIDGE		2018-03-15
Peter Hardy		2023-11-21
Robert Wilsher		2021-09-01

DURLSTON COURT SCHOOL TRUST LIMITED

England & Wales - Charity number 307325

Accounts

Financial Statements

Durlston Court School

Trust Limited

For the Year Ended 31 August 2025



Charity no. 307325
Company no. 1091930

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Report of the Governors

The Governors are pleased to present their report together with the audited financial statements for the year ended 31 August 2025.

Reference and administrative details of the Charity, its Trustees and Advisors

Durlston Court School Trust Limited (The Charity) was registered with the Charity Commission in 1973 under charity number 307325. The Charity was incorporated under company number 1091930 on 23 January 1973.

Registered office

Durlston School, Becton Lane, Barton-on-Sea, New Milton, Hampshire, BH25 7AQ.

Governors

The Governors who have served during the period, to the date of this report were as follows:

Mr C C Ashfield (Chairman)
Mr P Etheridge
Mr P Hardy
Mrs N James
Mr C G Lewis (Deputy Chairman)
Mrs L Otten
Mr R Wilsher

Senior officers

Mr R P May (Headmaster)
Mr B Bates (Bursar)

Company Secretary

Mr B Bates

Bankers

Barclays Bank plc, Barclays House, Ocean Way, Southampton, SO14 2ZP

Auditors

Saffery LLP, Midland House, 2 Poole Road, Bournemouth, Dorset, BH2 5QY

Solicitors

Clarke Willmott LLP, Burlington House, Botleigh Grange Business Park, Hedge End, Southampton, SO30 2AF

Website

www.durlstonschool.co.uk

Structure, Governance and Management

The Charity's Governing Document is its Memorandum and Articles of Association, dated 23 January 1973 (and last amended 7 November 2006). It is a company limited by guarantee, having no share capital, and its members undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up.

The Governors are the Charity's trustees and directors and are also collectively referred to in this report as the Governing Body. The number of Governors must not be less than seven or more than thirty. New Governors are appointed by the Governing Body, after careful consideration of eligibility, skills and experience. Suitable candidates may be identified through internal recommendation or external search. New Governors become familiar with the constitution and operation of the Charity through a structured range of induction initiatives. The Charity is a member of AGBIS which provides access to training opportunities for Governors.

The Governors are responsible for the overall management of the Charity which includes determining strategy, establishing key policies, setting aims and objectives, agreeing budgets and longer term plans, reviewing actual performance against objectives and ensuring compliance with relevant statutes and regulations. The Governing Body meets at least three times each year and is supported by four Committees, each of which is chaired by a Governor, covering Finance & General Purposes, Education, Marketing and Risk Management.

The day-to-day management and related decisions, within the policies and parameters determined by the Governors, are delegated to the Headmaster and Bursar who attend the meetings of the Governors and the Committees.

Objectives and Activities

The principal objects for which the Charity was established, as set out in its Governing Document, are to promote and provide for the advancement of education, through the operation of a school or schools.

The principal activity of the Charity is the operation of Durlston Court School, an independent, co-educational preparatory school. Pupils are aged between two and sixteen years.

The principal aim of the school is to provide a happy, secure environment where pupils benefit from an education of the highest quality, to prepare pupils academically, culturally and morally to enable them to progress confidently to the next stage of their education.

The main objectives for the year ended 31 August 2025 related to the quality of the education provided, the award of scholarships and means-tested bursaries, the Charity's involvement with the local community and the Charity's financial position.

In June 2022, the school announced that we would be extending our educational provision to include GCSE. The gradual expansion of the school took place from September 2023 when we welcomed our first Year 9 cohort. The first GCSE examinations will take place in the summer term of 2026. We have received an extremely positive response from both existing and prospective parents and this further reinforces our charitable aims to provide an outstanding quality of education to the local community. The school has budgeted for the expansion plans over the medium term as we welcomed our first Year 10 group in September 2024.

The Governors seek to achieve these objectives primarily through effective leadership, a clear commitment to the highest standards of education, service, and financial control.

Strategic Report

Achievements and Performance

During the year under review the Charity achieved its main objectives through effective leadership, a clear commitment to high standards, and strong fiscal control. In order to proceed with the plan to extend our provision to GCSE, the Independent Schools Inspectorate (ISI) conducted a Material Change inspection in July 2023. The school passed all areas successfully, allowing our intake numbers to increase to 453 along with being able to teach up to GCSE. An inspection by the ISI took place during September 2024 under the new ISI Framework and the school successfully met the standards in all areas of the inspection.

Academic standards

Durlston pupils continue to achieve great academic and educational success. A number of our Year 8 pupils moved through to our Senior School Year 9 to join the Year 10 Durlston pupils. The Year 6 and Year 8 leavers secured places at many prestigious senior schools, including Bryanston, Canford, King Edward VI, Talbot Heath as well as other local independent and state schools. A large number of different scholarships were awarded to Durlston pupils, including academic, Visual Arts, Musical and sporting awards, all testament to the superb all-round education and the extraordinarily high standard of teaching and opportunities the pupils enjoy at Durlston.

Improvements to the site and facilities

The school continues to invest in preparing the school facilities to accommodate our GCSE expansion plans, alongside a rigorous maintenance programme. We were delighted to open a second, fully equipped, Science Laboratory as well as the construction of a purpose built Gym provision, to complement our GCSE Physical Education course. In addition, we have invested in music technology equipment, and the Common Room for senior pupils has been expanded. The school further added to our Chromebook stock, providing all pupils in Year 3 to 8 with their own school device, as well as facilitating the purchase of laptops for pupils in Year 9-11. Total capital expenditure in the year amounted to £102,136.

Pupil numbers

Pupil numbers at year end are 264 (2024: 264) and were in line with objectives.

Bursaries and scholarships

Scholarships were awarded in recognition of academic, sporting, art, drama or musical excellence. Means-tested bursaries are awarded in appropriate circumstances. The Charity was able to offer full financial assistance to Ukrainian refugees to enable their children to benefit from our education provision. During the year, all eligible requests for means-tested bursarial assistance were met by the Charity.

Involvement with the local community

The School has continued to become involved with the local community. This has covered a number of different areas. We have supported events such as the town Remembrance Parade and Remembrance Service; we have raised funds for, and offered practical support to, local charitable organisations such as the Christchurch Support Kabin and Lymington Food Bank; our minibuses are loaned out to other schools and youth organisations in the area so that these groups can offer more flexibility in their provision; we have laid on extra performances of our plays and concerts for local elderly residents; we have been carol singing round local care homes. In addition, extending access to the Durlston Holiday Activities to all the local community has meant that we are supporting the childcare needs of working parents in the area, not just the parental body of Durlston School. We have continued to support a school in Uganda through a number of school events in partnership with a local Milford charity. We have also established links, and raised money for a charity supporting education in. Bursaries enable access to the school's education for local children as well as those further afield. We also continue to host sporting festivals for other local state and independent schools.

Financial objectives

Net incoming resources of £74,636 (2024: outgoing resources £64,244) for the year were in line with expectations, resulting in a net current liability position of £150,010 (2024: net current asset position £304,502).

Financial Review

The financial results for the year are presented in the Statement of Financial Activities on page 15.

Net resources have been applied to financing the Capital Development and Maintenance Programme and mortgage repayments. Net school fees amounting to £3,507,768 represented 85.6% of total income, and the operating costs of the school of £3,854,392 represented 95.8% of total expenditure.

Reserves Policy

The Governing Body has a long standing policy to build sufficient reserves to enable the ongoing activities of the School to be maintained. The general aim is to ensure an adequate surplus is achieved each year. At year end the school had unrestricted funds of £2,144,567 (2024: £2,069,931). The level of reserves is reviewed by the Governors annually. The free reserves after excluding fixed assets and related liabilities are negative £435,637 (2024: negative £396,699). In order to address this, the Trustees have instructed for the sale of the Lodge property, which was placed on the open market with a local estate agent during the financial year.

In December 2004 the freehold of the estate, previously leased by the Charity, was acquired. The original cost of the purchase is held at historic value within the assets of the Charity. The associated financing costs and the need for investment in previously rented buildings and grounds, continues to impact on the Charity's ability to build reserves in the short term. However, in the long term the Governors believe that substantial benefits will continue to accrue to the Charity from owning the site.

Remuneration Policy

The key management personnel of the school are the Senior Leadership Team, consisting of the Headmaster, Deputy Head Pastoral, Deputy Head Academic, Head of Pre-Prep, Head of Senior School and Bursar. The remuneration of the Head and Bursar are set by the Remuneration Committee consisting of the Chair and Vice Chair of Governors.

Plans for Future Periods

Further to the announcement that the School will be expanding the education provision to include GCSE, this will now become the key strategic objective for the period to August 2026, at which time the first GCSE examinations will have taken place.

The key elements of the Charity's strategy include the planning and development relating to the provision of new educational facilities for three new school year groups (Years 9-11).

The school will also maintain our focus on the continued provision of a high standard of all-round education for all our pupils, financial security and the maximisation of the public benefit provided by the Charity.

Principal Risks and Uncertainties

The role of the Risk Management Committee is to identify, assess and prioritise the major risks to which the Charity is exposed, and to ensure that these are appropriately managed. Risk Management information is reviewed at each meeting of the Governing Body, with risks being assessed based on how likely a risk is to occur, and the impact on the school if it were to occur. The major risks identified being the economic climate uncertainty, changes to the regulatory, legislative and inspection regime including the introduction of VAT to school fees from 1st January 2025. To mitigate these risks, among other actions, the Governors regularly monitor the budget and forecasting along with an effective marketing plan, seek external legal and regulatory advice, and ensure appropriate risk assessments are in place.

Public Benefit Statement

In considering its future strategy, aims and objectives, the Governors have given due regard to the Charity

Commission's guidance on Public Benefit in accordance with Section 4 of the Charities Act 2011.

Statement of Governors' responsibilities for the financial statements

The Governors (who are also directors of Durlston Court School Trust Limited for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

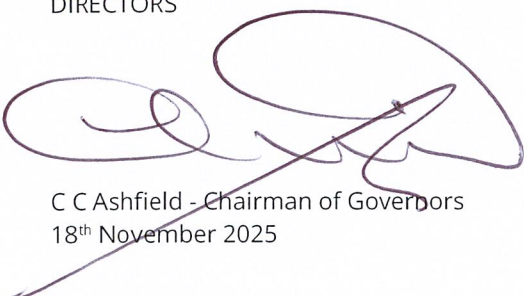
- so far as each Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Auditors

Saffery LLP, who were appointed in 2013, have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE GOVERNING BODY, ALSO APPROVING THE STRATEGIC REPORT IN THEIR CAPACITY AS DIRECTORS



C C Ashfield - Chairman of Governors
18th November 2025

Independent auditor's report to the members of Durlston Court School Trust Limited

Opinion

We have audited the financial statements of Durlston Court School Trust Limited for the year ended 31 August 2025 which comprise a statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of Durlston Court School Trust Limited

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 Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has 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 Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Independent auditor's report to the members of Durlston Court School Trust Limited

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Further, the charity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charity's operations. We identified the most significant laws and regulations to be those monitored by the Independent Schools Inspectorate.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Independent auditor's report to the members of Durlston Court School 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.



.....
Casidhe Baleri (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors
Midland House
2 Poole Road
Bournemouth
BH2 5QY

Date: 4 December 2025

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Principal accounting policies

Basis of preparation

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("SORP (FRS102)") and Financial Reporting Standard 102. The accounts are drawn up on the historical cost basis of accounting. The School is a Public Benefit Entity as defined by FRS102.

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, the Governors 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.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, Bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided net of VAT.

1.2 Investment income

Investment income from bank balances and savings accounts are accounted for on an accruals basis.

1.3 Donations and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve.

1.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

1.5 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £250 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

1.6 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

- School buildings, including major extensions 40 - 50 years
- Alterations on change of use and minor extensions 10 - 25 years
- Furniture, machinery and equipment 5 years
- Motor vehicles 5 years
- Computer equipment 5 years

No depreciation is provided on freehold land. Periodic impairment reviews are carried out.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.8 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

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.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

1.9 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, one defined benefit and two defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) Royal London Pension – This scheme is the nominated pension schemes for teachers employed by the school. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.
- (b) The Peoples Pension – Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.
- (c) Pensions Trust Scheme – The costs relating to this scheme are outlined in note 18

1.10 Debtors

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

1.11 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity 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 trade discounts due.

The school operates a Fees in Advance scheme whereby parents pay a lump sum towards future fees payable, in return of a discount. The discount rate is set by the Finance Committee on a periodic basis.

1.13 Financial instruments

The trust 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Critical estimates and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision effects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2025 or 2024.

1.15 Termination costs

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate employment of an employee or to provide termination benefits.

Statement of financial activities (including income and expenditure account)

	Note	Unrestricted Funds	
		2025 £	2024 £
Incoming resources			
Incoming resources from charitable activities	1	4,010,004	3,632,795
Incoming resources from generated funds:			
Voluntary income	2	14,167	22,203
Investment income	3	48,194	13,972
Other incoming resources		24,617	12,569
Total incoming resources		4,096,982	3,681,539
Resources expended			
Costs of generating funds		130,117	151,937
Charitable activities		3,854,392	3,561,752
Other resources expended	4	37,837	32,094
Total resources expended	5	4,022,346	3,745,783
Net Surplus / (Expenditure)		74,636	(64,244)
Actuarial Gain on Defined Benefit Pension Schemes		-	-
Movements in funds		74,636	(64,244)
Total funds brought forward at 1 September 2024		2,069,931	2,134,175
Total funds carried forward at 31 August 2025		2,144,567	2,069,931

All amounts derive from continuing activities.

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

Company number 1091930	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	8		3,190,479		3,196,561
Current assets					
Stocks	9	3,791		3,399	
Debtors	10	1,149,569		253,626	
Cash at bank and in hand		649,289		1,236,751	
		<u>1,802,649</u>		<u>1,493,776</u>	
Liabilities					
Creditors: amounts falling due within one year	11 & 13	<u>(1,952,656)</u>		<u>(1,189,274)</u>	
Net current (liabilities) / assets			<u>(150,007)</u>		<u>304,502</u>
Total assets less current liabilities			3,040,472		3,501,063
Creditors: amounts falling due after more than one year	12 & 13		(895,905)		(1,431,132)
Net assets			<u>2,144,567</u>		<u>2,069,931</u>
Total charity funds:					
Unrestricted income funds			<u>2,144,567</u>		<u>2,069,931</u>

The financial statements were approved by the Governors on 18th November 2025

Mr C C Ashfield Chairman of Governors

Mr C G Lewis Chairman of Finance and General Purposes Committee

The accompanying accounting policies and notes form part of these financial statements.

Cash flow statement

	Note	2025 £	2025 £	2024 £	2024 £
Net cash (outflow) / inflow from operating activities	19		(376,029)		1,182,779
Returns on investments and servicing of finance					
Interest received		48,194		13,972	
Interest paid		(37,837)		(34,065)	
			10,357		(20,093)
Cash used in investing activities					
Payments to acquire tangible fixed assets			(102,136)		(104,252)
Proceeds from sale of property, plant or equipment			-		-
Cash used in financing activities					
Bank loan repayments			(119,654)		(116,255)
Increase / (Decrease) in cash in year	20		(587,462)		942,179
Cash at the beginning of the reporting period			1,236,751		294,572
Cash at the end of the reporting period			649,289		1,236,751

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Incoming resources from charitable activities

	2025	2024
	£	£
School fees and associated income:		
Fees receivable	4,328,738	4,142,175
<u>Less: Bursaries, scholarships and other discounts</u>	<u>(820,970)</u>	<u>(818,772)</u>
Net fees receivable	3,507,768	3,323,403
Disbursements	115,285	172,663
Extra tuition	379,741	132,079
Entrance fees	7,210	4,650
	<u>4,010,004</u>	<u>3,632,795</u>

2 Voluntary income

	2025	2024
	£	£
Donations	<u>14,167</u>	<u>22,203</u>

3 Investment income

	2025	2024
	£	£
Bank deposit interest	<u>48,194</u>	<u>13,972</u>

4 Other resources expended

	2025	2024
	£	£
Interest payable on bank loan <i>see also note 12</i>	37,837	34,027
Actuarial gains on Pension Trust scheme	-	(1,971)
Other interest costs	-	38
	<u>37,837</u>	<u>32,094</u>

5 Analysis of total resources expended

	Staff costs	Other	Depreciation	2025 Total
	£	£	£	£
Costs of generating funds				
Advertising and publicity	92,931	37,186	-	130,117
Charitable activities				
School operating costs:				
Teaching and support costs	2,516,598	217,303	-	2,733,901
Catering and support costs	248,757	103,703	-	352,460
Premises	126,390	252,470	83,473	462,333
Support and administration	187,095	82,334	24,745	294,174
Governance costs	-	11,524	-	11,524
	<u>3,078,840</u>	<u>667,334</u>	<u>108,218</u>	<u>3,854,392</u>
Other resources expended				
Interest payable on bank loan	-	37,837	-	37,837
Other gains and losses	-	-	-	-
Other interest costs	-	-	-	-
	<u>-</u>	<u>37,837</u>	<u>-</u>	<u>37,837</u>
	<u>3,171,771</u>	<u>742,357</u>	<u>108,218</u>	<u>4,022,346</u>

Total resources expended include:

	2025	2024
	£	£
Auditors' remuneration for audit services <i>excluding VAT</i>	11,250	10,900
(Increase) / Decrease in Stock	(392)	71
Operating lease rentals	3,214	4,100
Professional indemnity insurance premium <i>excluding IPT</i>	525	775

5 Analysis of total resources expended continued

Comparison Figures from 2024 are as follows:

	Staff costs	Other	Depreciation	2024 Total
	£	£	£	£
Costs of generating funds				
Advertising and publicity	89,644	62,293	-	151,937
Charitable activities				
School operating costs:				
Teaching and support costs	2,225,389	192,171	-	2,417,560
Catering and support costs	231,546	106,080	-	337,626
Premises	101,819	313,428	78,085	493,332
Support and administration	179,867	101,024	19,709	300,600
Governance costs	-	12,634	-	12,634
	<u>2,738,621</u>	<u>725,337</u>	<u>97,794</u>	<u>3,561,752</u>
Other resources expended				
Interest payable on bank loan	-	34,027	-	34,027
Other gains and losses	-	(1,971)	-	(1,971)
Other interest costs	-	38	-	38
	<u>-</u>	<u>32,094</u>	<u>-</u>	<u>32,094</u>
	<u>2,828,265</u>	<u>819,724</u>	<u>97,794</u>	<u>3,745,783</u>

6 Employees

Staff costs during the year were as follows:

	2025	2024
	£	£
Wages and salaries	2,653,572	2,393,509
Social security costs	235,522	186,216
Other pension costs (note 18)	282,677	248,541
Other staff costs	-	-
	<u>3,171,771</u>	<u>2,828,266</u>

The average number of employees of the Charity during the year was 112 (2024: 107). The average number of full time equivalent employees was 67 (2024: 64)

One employee's emoluments were within the range of £90,000 - £100,000 and one employee's emoluments were within the range of £60,000 - £70,000 (2024: one employee within the range £80,000-£90,000). The total of key management personnel compensation was £428,512 (2024: £400,984).

Contributions were made to a defined contribution pension scheme in respect of the highest paid employee.

Three employees received termination payments totalling £9,666 (2024: Two employees totalling £21,691).

7 Transactions with governors and other related parties

No Governors received remuneration in the year, directly or indirectly from the Charity. The total number of governors who incurred expenses was nil (2024: nil). Related party transactions during the year was nil (2024: nil).

8 Tangible fixed assets

	Freehold land and buildings	Motor vehicles	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2024	4,762,249	80,921	505,651	310,869	5,659,690
Additions	49,108	-	45,419	7,609	102,136
Disposals	-	-	-	-	-
At 31 August 2025	<u>4,811,357</u>	<u>80,921</u>	<u>551,070</u>	<u>318,478</u>	<u>5,761,826</u>
Depreciation					
At 1 September 2024	1,635,187	79,506	458,298	290,138	2,463,129
Provided in the year	83,473	1,415	15,360	7,970	108,218
Disposals	-	-	-	-	-
At 31 August 2025	<u>1,718,660</u>	<u>80,921</u>	<u>473,658</u>	<u>298,108</u>	<u>2,571,347</u>
Net book amount					
At 31 August 2025	<u>3,092,697</u>	<u>-</u>	<u>77,412</u>	<u>20,370</u>	<u>3,190,479</u>
Net book amount					
At 31 August 2024	<u>3,123,062</u>	<u>1,415</u>	<u>47,353</u>	<u>20,731</u>	<u>3,196,561</u>

9 Stocks

	2025	2024
	£	£
Catering provisions and heating fuel	<u>3,791</u>	<u>3,399</u>

10 Debtors

	2025	2024
	£	£
Trade debtors	1,005,262	110,050
Other debtors	63,609	62,000
Prepayments and accrued income	80,698	81,576
	<u>1,149,569</u>	<u>253,626</u>

Following the introduction of VAT on school fees, Trade Debtors at the end of 2025 includes £885k reflecting the billing of fees for the Autumn Term 2025 which was invoiced ahead of the school year end. The net amount invoiced of £910k is reflected in Creditors Note 11 under deferred income.

11 Creditors: amounts falling due within one year

	2025	2024
	£	£
Bank loans	123,656	134,894
Trade creditors	54,828	101,776
Social security and other taxes	238,245	40,326
Other creditors	974	14
Accruals and deferred income	1,129,043	279,370
	<u>1,546,746</u>	<u>556,380</u>

12 Creditors: amounts falling due after more than one year

	2025	2024
	£	£
Between one and two years	129,392	140,000
Between two and five years	357,229	420,000
After five years	-	35,037
	<u>486,621</u>	<u>595,037</u>

Creditors: amounts falling due after more than one year comprises a bank loan secured over the freehold property which is repayable by December 2029. The original fixed rate agreement for this loan expired in December 2015, and then subsequently in December 2024, which was replaced by a new fixed rate agreement which expires in December 2029.

13 Creditors: fees in advance

The school operates a Fees in Advance scheme, allowing parents to pay a lump sum to be used towards future school fees.

	2025	2024
	£	£
Within one year	405,910	632,894
Between one and two years	200,237	426,808
Between two and five years	127,112	293,440
After five years	81,935	115,847
	<u>815,194</u>	<u>1,468,989</u>

14 Liability of members

The Charity does not have any share capital. The members, consisting of the Governors who are also directors, undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up. The Charity has insurance to cover both Professional Indemnity and Governors' Liability. The cover is limited to £2,000,000 (2024: £2,000,000).

15 Leasing commitments

At 31 August 2025, the charity had aggregate total commitments under non-cancellable operating leases as set out below:

	2025	2024
	£	£
Within one year	3,744	4,208
Between two and five years	11,339	17,936
After five years	-	2,075
	15,083	24,219

16 Capital commitments

There were no capital commitments at 31 August 2025 or 31 August 2024.

17 Contingent liabilities

There were no contingent liabilities at 31 August 2025 or 31 August 2024.

18 Pensions

Teachers Pensions

Pension contributions for teachers are paid to Royal London as part of a Defined Contribution Scheme. The amount paid into the scheme for the year was £396,835 (2024: £340,629).

Other Pension Schemes

Pension contributions are also paid to contributory and non-contributory pension schemes for the benefit of non-teaching staff. The assets of these schemes are held separately from those of the school in independently administered funds.

TPT Retirement Solutions – Scottish Voluntary Sector Pension Scheme

The company participates in a multi-employer scheme which provides benefits to some 77 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at with an effective date of 30 September 2023. This actuarial valuation was certified on 27 June 2024 and showed assets of £86.2m, liabilities of £88.2m and a deficit of £2.0m. From 1 June 2024 the majority of employers no longer pay deficit contributions.

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 28 February 2034.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £153.3m, liabilities of £160.0m and a deficit of £6.7m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 May 2024:	£1,473,969 per annum (payable monthly and increasing by 3% each year on 1 st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

Present values of Provision

	2025	2024	2023
	£	£	£
Present value of provision	-	-	1,933

Reconciliation of opening and closing provisions

	2025	2024
	£	£
Provision at start of period	-	1,933
Unwinding of the discount factor (interest expense)	-	38
Deficit contribution paid	-	(1,971)
Remeasurements - impact of any change in assumptions	-	-
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	-	-
Income and expenditure impact		
Interest expense	-	38
Remeasurements - impact of any change in assumptions	-	-

Assumptions

	2025	2024	2023
	% per annum	% per annum	% per annum
Rate of discount	4.65	4.77	5.96

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

The Peoples Pension Scheme

The school is a member of The Peoples Pension scheme as the auto-enrolment pension scheme for the benefit of all non-teaching staff.

All pension contribution costs are recognised in the statement of financial activities as they become payable. Amounts owing to pension schemes as at the year-end amounted to nil (2024: nil).

19 Reconciliation of net incoming resources to net cash inflow from operating activities

	2025	2024
	£	£
Net Incoming / (Outgoing) resources	74,636	(64,244)
Net interest (received) / paid	(10,357)	20,093
Depreciation	108,218	97,794
(Increase) / Decrease in stock	(392)	71
(Increase) in debtors	(895,943)	(98,753)
Increase in creditors	347,809	1,229,751
(Decrease) in provision for pension	-	(1,933)
Net cash (outflow) / inflow from operating activities	<u>(376,029)</u>	<u>1,182,799</u>

20 Analysis of changes in net debt

	At	Cash flow	At
	1 Sep 2024		31 Aug 2025
	£	£	£
Cash at bank and in hand	1,236,751	(587,462)	649,289
Bank loan	(729,931)	119,654	(610,277)
	<u>506,820</u>	<u>(467,808)</u>	<u>39,012</u>

DURLSTON COURT SCHOOL TRUST LIMITED

England & Wales - Charity number 307325

Accounts

Financial Statements

Durlston Court School

Trust Limited

For the Year Ended 31 August 2024



Charity no. 307325
Company no. 1091930

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Report of the Governors

The Governors are pleased to present their report together with the audited financial statements for the year ended 31 August 2024.

Reference and administrative details of the Charity, its Trustees and Advisors

Durlston Court School Trust Limited ('The Charity') was registered with the Charity Commission in 1973 under charity number 307325. The Charity was incorporated under company number 1091930 on 23 January 1973.

Registered office

Durlston School, Becton Lane, Barton-on-Sea, New Milton, Hampshire, BH25 7AQ.

Governors

The Governors who have served during the period, to the date of this report were as follows:

Mr C C Ashfield (Chairman)
Mr M G Cooke (Resigned 28th August 2024)
Mr P Etheridge
Mr P Hardy (appointed 21st November 2023)
Mrs N James
Mr C G Lewis (Deputy Chairman)
Mrs L Otten
Mr R Porter (Resigned 25th June 2024)
Mr R Wilsher

Senior officers

Mr R P May (Headmaster)
Mr B Bates (Bursar)

Company Secretary

Mr B Bates

Bankers

Barclays Bank plc, Barclays House, Ocean Way, Southampton, SO14 2ZP

Auditors

Saffery LLP, Midland House, 2 Poole Road, Bournemouth, Dorset, BH2 5QY

Solicitors

Clarke Willmott LLP, Burlington House, Botleigh Grange Business Park, Hedge End, Southampton, SO30 2AF

Website

www.durlstonschool.co.uk

Structure, Governance and Management

The Charity's Governing Document is its Memorandum and Articles of Association, dated 23 January 1973 (and last amended 7 November 2006). It is a company limited by guarantee, having no share capital, and its members undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up.

The Governors are the Charity's trustees and directors and are also collectively referred to in this report as the Governing Body. The number of Governors must not be less than seven or more than thirty. New Governors are appointed by the Governing Body, after careful consideration of eligibility, skills and experience. Suitable candidates may be identified through internal recommendation or external search. New Governors become familiar with the constitution and operation of the Charity through a structured range of induction initiatives. The Charity is a member of AGBIS which provides access to training opportunities for Governors.

The Governors are responsible for the overall management of the Charity which includes determining strategy, establishing key policies, setting aims and objectives, agreeing budgets and longer term plans, reviewing actual performance against objectives and ensuring compliance with relevant statutes and regulations. The Governing Body meets at least three times each year and is supported by four Committees, each of which is chaired by a Governor, covering Finance & General Purposes, Education, Marketing and Risk Management.

The day-to-day management and related decisions, within the policies and parameters determined by the Governors, are delegated to the Headmaster and Bursar who attend the meetings of the Governors and the Committees.

Objectives and Activities

The principal objects for which the Charity was established, as set out in its Governing Document, are to promote and provide for the advancement of education, through the operation of a school or schools.

The principal activity of the Charity is the operation of Durlston Court School, an independent, co-educational preparatory school. Pupils are aged between two and sixteen years.

The principal aim of the school is to provide a happy, secure environment where pupils benefit from an education of the highest quality, to prepare pupils academically, culturally and morally to enable them to progress confidently to the next stage of their education.

The main objectives for the year ended 31 August 2024 related to the quality of the education provided, the award of scholarships and means-tested bursaries, the Charity's involvement with the local community and the Charity's financial position.

In June 2022, the school announced that we would be extending our educational provision to include GCSE. The gradual expansion of the school took place from September 2023 when we welcomed our first Year 9 cohort. The first GCSE examinations will take place in the summer term of 2026. We have received an extremely positive response from both existing and prospective parents and this further reinforces our charitable aims to provide an outstanding quality of education to the local community. The school has budgeted for the expansion plans over the medium term and looks forward to welcoming our first Year 10 group in September 2024.

The Governors seek to achieve these objectives primarily through effective leadership, a clear commitment to the highest standards of education, service, and financial control.

Strategic Report

Achievements and Performance

During the year under review the Charity achieved its main objectives through effective leadership, a clear commitment to high standards, and strong fiscal control. An inspection by the Independent Schools Inspectorate (ISI), which took place in May 2017 rated the school's provision as 'Excellent' in all areas. A further compliance inspection by the ISI was completed in November 2021, in which the school passed all areas successfully. In order to proceed with the plan to extend our provision to GCSE, the ISI conducted a Material Change inspection in July 2023. The school passed all areas successfully, allowing our intake numbers to increase to 453 along with being able to teach up to GCSE. An inspection by the ISI took place during September 2024 under the new ISI Framework and the school successfully met the standards in all areas of the inspection.

Academic standards

Durlston pupils continue to achieve great academic and educational success. A number of our Year 8 pupils joined the first Year 9 at Durlston, many achieving scholarships as they entered Year 9. Other Year 6 and Year 8 leavers secured places at a number of prestigious senior schools throughout the country, including: Canford, Winchester College, Clayesmore, King Edward VI, Talbot Heath as well as international and other local schools. A large number of different scholarships were awarded to Durlston pupils at these schools, including: academic, musical and sporting awards, all testament to the superb all-round education and the extraordinarily high standard of teaching and opportunities the pupils enjoy at Durlston.

Improvements to the site and facilities

The school continues to invest in preparing the school facilities to accommodate our GCSE expansion plans, alongside a rigorous maintenance programme. During the year work has been completed on the creation of a new Science laboratory, History classroom, IT suite alongside refurbishment of the Art Studio and various classrooms. Repairs continue to be undertaken in line with the ongoing Maintenance Programme. The school further added to our Chromebook stock, providing all pupils in Year 4 to 8 with their own school device. Total capital expenditure in the year amounted to £104,252.

Pupil numbers

Pupil numbers at year end are 264 (2023: 260) and were in line with objectives.

Bursaries and scholarships

Scholarships were awarded in recognition of academic, sporting, art, drama or musical excellence. Means-tested bursaries are awarded in appropriate circumstances. The Charity was able to offer full financial assistance to Ukrainian refugees to enable their children to benefit from our education provision. During the year, all eligible requests for means-tested bursarial assistance were met by the Charity.

Involvement with the local community

The School has continued to become involved with the local community. This has covered a number of different areas. We have supported events such as the town Remembrance Parade and Remembrance Service; we have raised funds for, and offered practical support to, local charitable organisations such as the Christchurch Support Kabin and Lymington Food Bank; our minibuses are loaned out to other schools and youth organisations in the area so that these groups can offer more flexibility in their provision; we have laid on extra performances of our plays and concerts for local elderly residents; we have been carol singing round local care homes. In addition, extending access to the Durlston Holiday Activities to all the local community has meant that we are supporting the childcare needs of working parents in the area, not just the parental body of Durlston School. We have supported a school in Uganda through a number of school events, and have done this through a partnership with a local Milford charity. Bursaries enable access to the school's education for local children as well as those further afield. We have also hosted sporting festivals for other local state and independent schools.

Financial objectives

Net outgoing resources of £64,244 (2023: £199,120) for the year were in line with expectations, resulting in a net current asset position of £304,502 (2023: net current liability £155,630).

Financial Review

The financial results for the year are presented in the Statement of Financial Activities on page 15.

Net resources have been applied to financing the Capital Development and Maintenance Programme and mortgage repayments. Net school fees amounting to £3,323,403 represented 90.3% of total income, and the operating costs of the school of £3,549,548 represented 95% of total expenditure.

Reserves Policy

The Governing Body has a long standing policy to build sufficient reserves to enable the ongoing activities of the School to be maintained. The general aim is to ensure an adequate surplus is achieved each year. At year end the school had unrestricted funds of £2,069,931 (2023: £2,134,175). The level of reserves is reviewed by the Governors annually. The free reserves after excluding fixed assets and related liabilities are negative £396,699 (2023: negative £209,742).

In December 2004 the freehold of the estate, previously leased by the Charity, was acquired. The original cost of the purchase is held at historic value within the assets of the Charity. The associated financing costs and the need for investment in previously rented buildings and grounds, continues to impact on the Charity's ability to build reserves in the short term. However, in the long term the Governors believe that substantial benefits will continue to accrue to the Charity from owning the site.

Remuneration Policy

The key management personnel of the school are the Senior Leadership Team, consisting of the Headmaster, Deputy Head Pastoral, Deputy Head Academic, Head of Pre-Prep, Head of Senior School and Bursar. The remuneration of the Head and Bursar are set by the Remuneration Committee consisting of the Chair and Vice Chair of Governors.

Plans for Future Periods

Further to the announcement that the School will be expanding the education provision to include GCSE, this will now become the key strategic objective for the period to August 2026, at which time the first GCSE examinations will have taken place.

The key elements of the Charity's strategy include the planning and development relating to the provision of new educational facilities for approximately 120 additional pupils. The school will engage with architects and builders to prepare a plan for the delivery of 6 additional classrooms.

The school will also maintain our focus on the continued provision of a high standard of all-round education for all our pupils, financial security and the maximisation of the public benefit provided by the Charity.

Principal Risks and Uncertainties

The role of the Risk Management Committee is to identify, assess and prioritise the major risks to which the Charity is exposed, and to ensure that these are appropriately managed. Risk Management information is reviewed at each meeting of the Governing Body, with risks being assessed based on how likely a risk is to occur, and the impact on the school if it were to occur. The major risks identified being the economic climate uncertainty, changes to the regulatory, legislative and inspection regime including the proposed introduction of VAT to school fees from 1st January 2025. To mitigate these risks, among other actions, the Governors regularly monitor the budget and forecasting along with an effective marketing plan, seek external legal and regulatory advice, and ensure appropriate risk assessments are in place.

Public Benefit Statement

In considering its future strategy, aims and objectives, the Governors have given due regard to the Charity Commission's guidance on Public Benefit in accordance with Section 4 of the Charities Act 2011.

Statement of Governors' responsibilities for the financial statements

The Governors (who are also directors of Durlston Court School Trust Limited for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

- so far as each Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Auditors

Saffery LLP, who were appointed in 2013, have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE GOVERNING BODY, ALSO APPROVING THE STRATEGIC REPORT IN THEIR CAPACITY AS DIRECTORS



C C Ashfield - Chairman of Governors
31st January 2025

Independent auditor's report to the members of Durlston Court School Trust Limited

Opinion

We have audited the financial statements of Durlston Court School Trust Limited for the year ended 31 August 2024 which comprise a statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of Durlston Court School Trust Limited

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 Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has 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 Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Independent auditor's report to the members of Durlston Court School Trust Limited

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Further, the charity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charity's operations. We identified the most significant laws and regulations to be those monitored by the Independent Schools Inspectorate.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Independent auditor's report to the members of Durlston Court School 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.

Saffery LLP

.....
Casidhe Baleri (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors
Midland House
2 Poole Road
Bournemouth
BH2 5QY

Date: 6 February 2025

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Principal accounting policies

Basis of preparation

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("SORP (FRS102)") and Financial Reporting Standard 102. The accounts are drawn up on the historical cost basis of accounting. The School is a Public Benefit Entity as defined by FRS102.

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, the Governors 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.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, Bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from bank balances and savings accounts are accounted for on an accruals basis.

1.3 Donations and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve.

1.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

1.5 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £250 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

1.6 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

- School buildings, including major extensions 40 - 50 years
- Alterations on change of use and minor extensions 10 - 25 years
- Furniture, machinery and equipment 5 years
- Motor vehicles 5 years
- Computer equipment 5 years

No depreciation is provided on freehold land. Periodic impairment reviews are carried out.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.8 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

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.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

1.9 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, one defined benefit and two defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) Royal London Pension – This scheme is the nominated pension schemes for teachers employed by the school. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.
- (b) The Peoples Pension – Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.
- (c) Pensions Trust Scheme – The costs relating to this scheme are outlined in note 17

1.10 Debtors

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

1.11 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity 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 trade discounts due.

The school operates a Fees in Advance scheme whereby parents pay a lump sum towards future fees payable, in return of a discount. The discount rate is set by the Finance Committee on a periodic basis.

1.13 Financial instruments

The trust 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Critical estimates and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision effects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2024 or 2023.

1.15 Termination costs

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate employment of an employee or to provide termination benefits.

Statement of financial activities (including income and expenditure account)

		Unrestricted Funds	
	Note	2024 £	2023 £
Incoming resources			
Incoming resources from charitable activities	1	3,632,795	2,987,111
Incoming resources from generated funds:			
Voluntary income	2	22,203	1,503
Investment income	3	13,972	6,398
Other incoming resources		12,569	63,962
Total incoming resources		<u>3,681,539</u>	<u>3,058,974</u>
Resources expended			
Costs of generating funds		151,937	148,251
Charitable activities		3,561,752	3,072,771
Other resources expended	4	32,094	37,082
Total resources expended	5	<u>3,745,783</u>	<u>3,258,104</u>
Net (Expenditure)		(64,244)	(199,130)
Actuarial Gain on Defined Benefit Pension Schemes		-	10
Movements in funds		(64,244)	(199,120)
Total funds brought forward at 1 September 2023		<u>2,134,175</u>	<u>2,333,295</u>
Total funds carried forward at 31 August 2024		<u>2,069,931</u>	<u>2,134,175</u>

All amounts derive from continuing activities.

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

Company number 1091930	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	8		3,196,561		3,190,103
Current assets					
Stocks	9	3,399		3,470	
Debtors	10	253,626		154,873	
Cash at bank and in hand		<u>1,236,751</u>		<u>294,572</u>	
		1,493,776		452,915	
Liabilities					
Creditors: amounts falling due within one year	11 & 13	<u>(1,189,274)</u>		<u>(608,545)</u>	
Net current assets / (liabilities)			<u>304,502</u>		<u>(155,630)</u>
Total assets less current liabilities			3,501,063		3,034,473
Creditors: amounts falling due after more than one year	12 & 13		(1,431,132)		(898,365)
Provision for Pension	18		-		(1,933)
Net assets			<u>2,069,931</u>		<u>2,134,175</u>
Total charity funds:					
Unrestricted income funds			<u>2,069,931</u>		<u>2,134,175</u>

The financial statements were approved by the Governors on 31st January 2025



Mr C C Ashfield Chairman of Governors



Mr C G Lewis Chairman of Finance and General Purposes Committee

The accompanying accounting policies and notes form part of these financial statements.

Cash flow statement

	Note	2024	2024	2023	2023
		£	£	£	£
Net cash inflow / (outflow) from operating activities	19		1,182,779		198,047
Returns on investments and servicing of finance					
Interest received		13,972		6,398	
Interest paid		<u>(34,065)</u>		<u>(39,658)</u>	
			(20,093)		(33,260)
Cash used in investing activities					
Payments to acquire tangible fixed assets			(104,252)		(59,305)
Proceeds from sale of property, plant or equipment			-		-
Cash used in financing activities					
Bank loan repayments			<u>(116,255)</u>		<u>(110,335)</u>
Increase / (Decrease) in cash in year	20		<u>942,179</u>		<u>(4,853)</u>
Cash at the beginning of the reporting period			294,572		299,425
Cash at the end of the reporting period			<u>1,236,751</u>		<u>294,572</u>

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1	Incoming resources from charitable activities		
		2024	2023
		£	£
	School fees and associated income:		
	Fees receivable	4,142,175	3,540,589
	<u>Less: Bursaries, scholarships and other discounts</u>	<u>(818,772)</u>	<u>(738,309)</u>
	Net fees receivable	3,323,403	2,802,280
	Disbursements	172,663	129,953
	Extra tuition	132,079	50,328
	Entrance fees	4,650	4,550
		<u>3,632,795</u>	<u>2,987,111</u>
2	Voluntary income		
		2024	2023
		£	£
	Donations	<u>22,203</u>	<u>1,503</u>
3	Investment income		
		2024	2023
		£	£
	Bank deposit interest	<u>13,972</u>	<u>6,398</u>
4	Other resources expended		
		2024	2023
		£	£
	Interest payable on bank loan <i>see also note 12</i>	34,027	39,528
	Actuarial gains on Pension Trust scheme	(1,971)	(2,576)
	Other interest costs	38	130
		<u>32,094</u>	<u>37,082</u>

5 Analysis of total resources expended

	Staff costs	Other	Depreciation	2024 Total
	£	£	£	£
Costs of generating funds				
Advertising and publicity	89,644	62,293	-	151,937
Charitable activities				
School operating costs:				
Teaching and support costs	2,225,389	192,171	-	2,417,560
Catering and support costs	231,546	106,080	-	337,626
Premises	101,819	313,428	78,085	493,332
Support and administration	179,867	101,024	19,709	300,600
Governance costs	-	12,634	-	12,634
	2,738,621	725,337	97,794	3,561,752
Other resources expended				
Interest payable on bank loan	-	34,027	-	34,027
Other gains and losses	-	(1,971)	-	(1,971)
Other interest costs	-	38	-	38
	-	32,094	-	32,094
	2,828,265	819,724	97,794	3,745,783

Total resources expended include:

	2024	2023
	£	£
Auditors' remuneration for audit services <i>excluding VAT</i>	10,900	8,900
(Decrease) / Increase in Stock	(71)	688
Operating lease rentals	4,100	3,600
Professional indemnity insurance premium <i>excluding IPT</i>	775	652

5 Analysis of total resources expended continued

Comparison Figures from 2023 are as follows:

	Staff costs £	Other £	Depreciation £	2023 Total £
Costs of generating funds				
Advertising and publicity	<u>74,607</u>	<u>73,644</u>	<u>-</u>	<u>148,251</u>
Charitable activities				
School operating costs:				
Teaching and support costs	1,864,144	144,233	-	2,008,377
Catering and support costs	210,144	97,621	-	307,765
Premises	81,632	260,509	78,226	420,367
Support and administration	168,912	127,621	28,556	325,089
Governance costs	-	11,173	-	11,173
	<u>2,324,832</u>	<u>641,157</u>	<u>106,782</u>	<u>3,072,771</u>
Other resources expended				
Interest payable on bank loan	-	39,528	-	39,528
Other gains and losses	-	(2,576)	-	(2,576)
Other interest costs	-	130	-	130
	<u>-</u>	<u>37,082</u>	<u>-</u>	<u>37,082</u>
	<u>2,399,439</u>	<u>751,883</u>	<u>106,782</u>	<u>3,258,104</u>

6 Employees

Staff costs during the year were as follows:

	2024 £	2023 £
Wages and salaries	2,393,509	2,033,131
Social security costs	186,216	160,920
Other pension costs (note 17)	248,541	205,388
Other staff costs	-	-
	<u>2,828,266</u>	<u>2,399,439</u>

The average number of employees of the Charity during the year was 107 (2023: 94). The average number of full time equivalent employees was 64 (2023: 61)

One employee's emoluments were within the range £80,000 - £90,000 (2023: one employee within the range £80,000-£90,000). The total of key management personnel compensation was £400,984 (2023: £380,078).

Contributions were made to a defined contribution pension scheme in respect of the highest paid employee.

Two employees received termination payments totalling £21,691 (2023: nil).

7 Transactions with governors and other related parties

No Governors received remuneration in the year, directly or indirectly from the Charity. The total number of governors who incurred expenses was nil (2023: nil). Related party transactions during the year was nil (2023: nil).

8 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2023	4,680,815	80,921	489,536	304,166	5,555,438
Additions	81,434	-	16,115	6,703	104,252
Disposals	-	-	-	-	-
At 31 August 2024	<u>4,762,249</u>	<u>80,921</u>	<u>505,651</u>	<u>310,869</u>	<u>5,659,690</u>
Depreciation					
At 1 September 2023	1,557,102	77,806	450,058	280,369	2,365,335
Provided in the year	78,085	1,700	8,240	9,769	97,794
Disposals	-	-	-	-	-
At 31 August 2024	<u>1,635,187</u>	<u>79,506</u>	<u>458,298</u>	<u>290,138</u>	<u>2,463,129</u>
Net book amount					
At 31 August 2024	<u>3,127,062</u>	<u>1,415</u>	<u>47,353</u>	<u>20,731</u>	<u>3,196,561</u>
Net book amount					
At 31 August 2023	<u>3,123,713</u>	<u>3,115</u>	<u>39,478</u>	<u>23,797</u>	<u>3,190,103</u>

9 Stocks

	2024 £	2024 £
Catering provisions and heating fuel	<u>3,399</u>	<u>3,470</u>

10 Debtors

	2024 £	2023 £
Trade debtors	110,050	44,373
Other debtors	62,000	33,645
Prepayments and accrued income	81,576	76,855
	<u>253,626</u>	<u>154,873</u>

11 Creditors: amounts falling due within one year

	2024	2023
	£	£
Bank loans	134,894	116,253
Trade creditors	101,776	53,734
Social security and other taxes	40,326	35,991
Other creditors	14	47,846
Accruals and deferred income	279,370	283,328
	<u>556,380</u>	<u>537,152</u>

12 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Between one and two years	140,000	134,894
Between two and five years	420,000	420,000
After five years	35,037	175,039
	<u>595,037</u>	<u>729,933</u>

Creditors: amounts falling due after more than one year comprises a bank loan secured over the freehold property which is repayable by December 2029. The original fixed rate agreement for this loan expired in December 2015, and then subsequently in December 2024, which was replaced by a new fixed rate agreement which expires in December 2029..

13 Creditors: fees in advance

The school operates a Fees in Advance scheme, allowing parents to pay a lump sum to be used towards future school fees.

	2024	2023
	£	£
Within one year	632,894	71,393
Between one and two years	426,808	88,671
Between two and five years	293,440	79,761
After five years	115,847	-
	<u>1,468,989</u>	<u>239,825</u>

14 Liability of members

The Charity does not have any share capital. The members, consisting of the Governors who are also directors, undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up. The Charity has insurance to cover both Professional Indemnity and Governors' Liability. The cover is limited to £2,000,000 (2023: £2,000,000).

15 Leasing commitments

At 31 August 2024, the charity had aggregate total commitments under non-cancellable operating leases as set out below:

	2024	2023
	£	£
Within one year	4,208	3,600
Between two and five years	17,936	1,800
After five years	2,075	-
	<u>24,219</u>	<u>5,400</u>

16 Capital commitments

There were no capital commitments at 31 August 2024 or 31 August 2023.

17 Contingent liabilities

There were no contingent liabilities at 31 August 2024 or 31 August 2023.

18 Pensions

Teachers Pensions

Pension contributions for teachers are paid to Royal London as part of a Defined Contribution Scheme. The amount paid into the scheme for the year was £340,629 (2023: £271,166).

Other Pension Schemes

Pension contributions are also paid to contributory and non-contributory pension schemes for the benefit of non-teaching staff. Non-teaching staff may contribute to one of two money purchase pension schemes. The assets of these schemes are held separately from those of the school in independently administered funds.

The company participates in a multi-employer scheme which provides benefits to some 82 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at with an effective date of 30 September 2020. This actuarial valuation was certified on 21 December 2021 and showed assets of £153.3m, liabilities of £160m and a deficit of £6.7m. To eliminate this funding shortfall, the Trustee and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 May 2024:	£1,473,969 per annum (payable monthly and increasing by 3% each year on 1 st April)
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Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 28 February 2024.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2026:	£1,404,638 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2019 to 30 September 2027:	£136,701 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Present values of Provision

	2024 £	2023 £	2022 £
Present value of provision	-	1,933	4,379

Reconciliation of opening and closing provisions

	2024 £	2023 £
Provision at start of period	1,933	4,379
Unwinding of the discount factor (interest expense)	38	130
Deficit contribution paid	(1,971)	(2,566)
Remeasurements - impact of any change in assumptions	-	(10)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	-	1,933
Income and expenditure impact		
Interest expense	38	130
Remeasurements - impact of any change in assumptions	-	(10)

Assumptions	2024 % per annum	2023 % per annum	2022 % per annum
Rate of discount	4.77	5.96	4.35

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

The school is a member of The Peoples Pension scheme as the auto-enrolment pension scheme for the benefit of all non-teaching staff.

All pension contribution costs are recognised in the statement of financial activities as they become payable. Amounts owing to pension schemes as at the year-end amounted to nil (2023: £42,829).

19 Reconciliation of net incoming resources to net cash inflow from operating activities

	2024 £	2023 £
Net (Outgoing) resources	(64,244)	(199,120)
Net interest paid	20,093	33,260
Depreciation	97,794	106,782
Decrease / (Increase) in stock	71	(698)
(Increase) in debtors	(98,753)	(60,182)
Increase in creditors	1,113,496	320,451
(Decrease) in provision for pension	(1,933)	(2,446)
Net cash inflow / (outflow) from operating activities	<u>1,182,779</u>	<u>198,047</u>

20 Analysis of changes in net debt

	At 1 Sep 2023 £	Cash flow £	At 31 Aug 2024 £
Cash at bank and in hand	294,572	942,179	1,236,751
Bank loan	(846,184)	116,253	(729,931)
	<u>(551,612)</u>	<u>1,058,432</u>	<u>506,820</u>

DURLSTON COURT SCHOOL TRUST LIMITED

England & Wales - Charity number 307325

Accounts

Financial Statements

Durlston Court School

Trust Limited

For the Year Ended 31 August 2023



Charity no. 307325
Company no. 1091930

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Report of the Governors

The Governors are pleased to present their report together with the audited financial statements for the year ended 31 August 2023.

Reference and administrative details of the Charity, its Trustees and Advisors

Durlston Court School Trust Limited ('The Charity') was registered with the Charity Commission in 1973 under charity number 307325. The Charity was incorporated under company number 1091930 on 23 January 1973.

Registered office

Durlston School, Becton Lane, Barton-on-Sea, New Milton, Hampshire, BH25 7AQ.

Governors

The Governors who have served during the period, to the date of this report were as follows:

Mr C C Ashfield (Chairman)
Mr M G Cooke
Mr P Etheridge
Dr J Hickey (Resigned 26th September 2022)
Mrs N James
Mr C G Lewis (Deputy Chairman)
Mrs L Otten
Mr R Porter
Mr R Wilsher

Senior officers

Mr R P May (Headmaster)
Mr B Bates (Bursar and Clerk to the Governors)

Bankers

Barclays Bank plc, Barclays House, Ocean Way, Southampton, SO14 2ZP

Auditors

Saffery LLP, Midland House, 2 Poole Road, Bournemouth, Dorset, BH2 5QY

Solicitors

Clarke Willmott LLP, Burlington House, Botleigh Grange Business Park, Hedge End, Southampton, SO30 2AF

Website

www.durlstonschool.co.uk

Structure, Governance and Management

The Charity's Governing Document is its Memorandum and Articles of Association, dated 23 January 1973 (and last amended 7 November 2006). It is a company limited by guarantee, having no share capital, and its members undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up.

The Governors are the Charity's trustees and directors and are also collectively referred to in this report as the Governing Body. The number of Governors must not be less than seven or more than thirty. New Governors are appointed by the Governing Body, after careful consideration of eligibility, skills and experience. Suitable candidates may be identified through internal recommendation or external search. New Governors become familiar with the constitution and operation of the Charity through a structured range of induction initiatives. The Charity is a member of AGBIS which provides access to training opportunities for Governors.

The Governors are responsible for the overall management of the Charity which includes determining strategy, establishing key policies, setting aims and objectives, agreeing budgets and longer term plans, reviewing actual performance against objectives and ensuring compliance with relevant statutes and regulations. The Governing Body meets at least three times each year and is supported by four Committees, each of which is chaired by a Governor, covering Finance & General Purposes, Education, Marketing and Risk Management.

The day-to-day management and related decisions, within the policies and parameters determined by the Governors, are delegated to the Headmaster and Bursar who attend the meetings of the Governors and the Committees.

Objectives and Activities

The principal objects for which the Charity was established, as set out in its Governing Document, are to promote and provide for the advancement of education, through the operation of a school or schools.

The principal activity of the Charity is the operation of Durlston Court School, an independent, co-educational preparatory school. Pupils are aged between two and thirteen years.

The principal aim of the school is to provide a happy, secure environment where pupils benefit from an education of the highest quality, to prepare pupils academically, culturally and morally to enable them to progress confidently to the next stage of their education.

The main objectives for the year ended 31 August 2023 related to the quality of the education provided, the award of scholarships and means-tested bursaries, the Charity's involvement with the local community and the Charity's financial position.

In June 2022, the school announced that we would be extending our educational provision to include GCSE. The gradual expansion of the school will take place from September 2023 when we begin our first Year 9. The first GCSE examinations will take place in the summer term of 2026. We have received an extremely positive response from both existing and prospective parents and this further reinforces our charitable aims to provide an outstanding quality of education to the local community. The school has budgeted for the expansion plans over the medium term and looks forward to welcoming our first Year 9 group in September 2023.

The Governors seek to achieve these objectives primarily through effective leadership, a clear commitment to the highest standards of education, service, and financial control.

Strategic Report

Achievements and Performance

During the year under review the Charity achieved its main objectives through effective leadership, a clear commitment to high standards, and strong fiscal control. An inspection by the Independent Schools Inspectorate (ISI), which took place in May 2017 rated the school's provision as 'Excellent' in all areas. A further compliance inspection by the ISI was completed in November 2021, in which the school passed all areas successfully. In order to proceed with the plan to extend our provision to GCSE, the ISI conducted a Material Change inspection in July 2023. The school passed all areas successfully, allowing our intake numbers to increase to 453 along with being able to teach up to GCSE.

Academic standards

Durlston Court pupils continue to achieve great academic and educational success. A number of our Year 8 pupils joined the first Year 9 at Durlston, many achieving scholarships as they entered Year 9. Other Year 8 leavers secured places at a number of prestigious senior schools throughout the country, including: Canford, Clayesmore, Embley, King Edward VI, Talbot Heath, St Swithun's as well as other local schools. A large number of different scholarships were awarded to Durlston pupils at these schools, including: academic, musical and sporting awards, all testament to the superb all-round education and the extraordinarily high standard of teaching and opportunities the pupils enjoy at Durlston.

Improvements to the site and facilities

The school continues to invest in the maintenance and improvement of the educational facilities. During the year work has been completed on various classroom refurbishments as well as improving communal areas in the Senior School. A secure exam room was built, as well as an additional classroom in the main school building. Repairs continue to be undertaken in line with the ongoing Maintenance Programme. The school further added to our Chromebook stock, providing all pupils in Year 3 to 8 with their own school device. Total capital expenditure in the year amounted to £59,304.

Pupil numbers

Pupil numbers at year end are 260 (2022: 265) and were in line with objectives.

Bursaries and scholarships

Scholarships were awarded in recognition of academic, sporting, art, drama or musical excellence. Means-tested bursaries are awarded in appropriate circumstances. The Charity was able to offer full financial assistance to Ukrainian refugees to enable their children to benefit from our education provision. During the year, all eligible requests for means-tested bursarial assistance were met by the Charity.

Involvement with the local community

The School has continued to become involved with the local community. This has covered a number of different areas. We have supported events such as the town Remembrance Parade and Remembrance Service; we have raised funds for, and offered practical support to, local charitable organisations such as the Christchurch Support Kabin and Lymington Food Bank; our minibuses are loaned out to other schools and youth organisations in the area so that these groups can offer more flexibility in their provision; we have laid on extra performances of our plays and concerts for local elderly residents; we have been carol singing round local care homes. In addition, extending access to the Durlston Holiday Activities to all the local community has meant that we are supporting the childcare needs of working parents in the area, not just the parental body of Durlston School. We have supported a school in Uganda through a number of school events, and have done this through a partnership with a local Milford charity. Bursaries enable access to the school's education for local children as well as those further afield. We have also hosted sporting festivals for other local state and independent schools.

Financial objectives

Net outgoing resources of £199,120 (2022: £178,600) for the year were in line with expectations, resulting in a net current liability position of £155,630 (2022: £54,204).

Financial Review

The financial results for the year are presented in the Statement of Financial Activities on page 15.

Net resources have been applied to financing the Capital Development and Maintenance Programme and mortgage repayments. Net school fees amounting to £2,802,280 represented 91.6% of total income, and the operating costs of the school of £3,072,771 represented 94.3% of total expenditure.

Reserves Policy

The Governing Body has a long standing policy to build sufficient reserves to enable the ongoing activities of the School to be maintained. The general aim is to ensure an adequate surplus is achieved each year. At year end the school had unrestricted funds of £2,134,175 (2022: £2,333,295). The level of reserves is reviewed by the Governors annually. The free reserves after excluding fixed assets and related liabilities are negative £209,742 (2022: £52,232).

In December 2004 the freehold of the estate, previously leased by the Charity, was acquired. The original cost of the purchase is held at historic value within the assets of the Charity. The associated financing costs and the need for investment in previously rented buildings and grounds, continues to impact on the Charity's ability to build reserves in the short term. However, in the long term the Governors believe that substantial benefits will continue to accrue to the Charity from owning the site.

Remuneration Policy

The key management personnel of the school are the Senior Leadership Team, consisting of the Headmaster, Deputy Head, Director of Teaching & Learning, Head of Pre-Prep, Head of Senior School and Bursar. The remuneration of the Head and Bursar are set by the Remuneration Committee consisting of the Chair and Vice Chair of Governors.

Plans for Future Periods

Further to the announcement that the School will be expanding the education provision to include GCSE, this will now become the key strategic objective for the period to August 2026, at which time the first GCSE examinations will have taken place.

The key elements of the Charity's strategy include the planning and development relating to the provision of new educational facilities for approximately 120 additional pupils. The school will engage with architects and builders to prepare a plan for the delivery of 6 additional classrooms.

The school will also maintain our focus on the continued provision of a high standard of all-round education for all our pupils from Kindergarten to Year 8, financial security and the maximisation of the public benefit provided by the Charity.

Principal Risks and Uncertainties

The role of the Risk Management Committee is to identify, assess and prioritise the major risks to which the Charity is exposed, and to ensure that these are appropriately managed. Risk Management information is reviewed at each meeting of the Governing Body, with risks being assessed based on how likely a risk is to occur, and the impact on the school if it were to occur. The major risks identified being the economic climate uncertainty, changes to the regulatory, legislative and inspection regime. To mitigate these risks, among other actions, the Governors regularly monitor the budget and forecasting along with an effective marketing plan, seek external legal and regulatory advice, and ensure appropriate risk assessments are in place.

Public Benefit Statement

In considering its future strategy, aims and objectives, the Governors have given due regard to the Charity Commission's guidance on Public Benefit in accordance with Section 4 of the Charities Act 2011.

Statement of Governors' responsibilities for the financial statements

The Governors (who are also directors of Durlston Court School Trust Limited for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

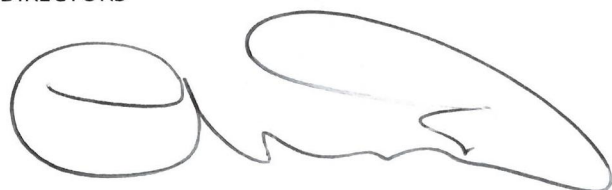
- so far as each Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Auditors

Saffery LLP, who were appointed in 2013, have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE GOVERNING BODY, ALSO APPROVING THE STRATEGIC REPORT IN THEIR CAPACITY AS DIRECTORS

A handwritten signature in black ink, appearing to be 'C C Ashfield', written over a faint circular stamp or watermark.

C C Ashfield - Chairman of Governors
21st November 2023

Independent auditor's report to the members of Durlston Court School Trust Limited

Opinion

We have audited the financial statements of Durlston Court School Trust Limited for the year ended 31 August 2023 which comprise a statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of Durlston Court School Trust Limited

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 Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has 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 Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Independent auditor's report to the members of Durlston Court School Trust Limited

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Further, the charity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charity's operations. We identified the most significant laws and regulations to be those monitored by the Independent Schools Inspectorate.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Independent auditor's report to the members of Durlston Court School 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.

Saffery LLP

Casidhe Baleri (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors
Midland House
2 Poole Road
Bournemouth
BH2 5QY

Date: *11 December 2013*

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Principal accounting policies

Basis of preparation

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("SORP (FRS102)") and Financial Reporting Standard 102. The accounts are drawn up on the historical cost basis of accounting. The School is a Public Benefit Entity as defined by FRS102.

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, the Governors 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.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, Bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from bank balances and savings accounts are accounted for on an accruals basis.

1.3 Donations and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve.

1.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

1.5 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £250 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

1.6 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

- School buildings, including major extensions 40 - 50 years
- Alterations on change of use and minor extensions 10 - 25 years
- Furniture, machinery and equipment 5 years
- Motor vehicles 5 years
- Computer equipment 5 years

No depreciation is provided on freehold land. Periodic impairment reviews are carried out.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.8 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

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.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

1.9 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, one defined benefit and two defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) Royal London Pension – This scheme is the nominated pension schemes for teachers employed by the school. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.
- (b) The Peoples Pension – Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.
- (c) Pensions Trust Scheme – The costs relating to this scheme are outlined in note 17

1.10 Debtors

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

1.11 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity 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 trade discounts due.

1.13 Financial instruments

The trust 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Critical estimates and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision effects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2023 or 2022.

Statement of financial activities (including income and expenditure account)

		Unrestricted Funds	
	Note	2023 £	2022 £
Incoming resources			
Incoming resources from charitable activities	1	2,987,111	2,793,973
Incoming resources from generated funds:			
Voluntary income	2	1,503	815
Investment income	3	6,398	527
Other incoming resources		63,962	12,239
Total incoming resources		<u>3,058,974</u>	<u>2,807,554</u>
Resources expended			
Costs of generating funds		148,251	123,404
Charitable activities		3,072,771	2,830,373
Other resources expended	4	<u>37,082</u>	<u>44,021</u>
Total resources expended	5	<u>3,258,104</u>	<u>2,997,798</u>
Net (Expenditure)		(199,130)	(190,244)
Actuarial Gain on Defined Benefit Pension Schemes		<u>10</u>	<u>11,644</u>
Movements in funds		(199,120)	(178,600)
Total funds brought forward at 1 September 2022		<u>2,333,295</u>	<u>2,511,895</u>
Total funds carried forward at 31 August 2023		<u><u>2,134,175</u></u>	<u><u>2,333,295</u></u>

All amounts derive from continuing activities.

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

Company number 1091930	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	8		3,190,103		3,237,583
Current assets					
Stocks	9	3,470		2,768	
Debtors	10	154,873		94,691	
Cash at bank and in hand		294,572		299,425	
		<u>452,915</u>		<u>396,884</u>	
Liabilities					
Creditors: amounts falling due within one year	11 & 13	(608,545)		(451,088)	
Net current (liabilities) / assets			<u>(155,630)</u>		<u>(54,204)</u>
Total assets less current liabilities			3,034,473		3,183,379
Creditors: amounts falling due after more than one year	12 & 13		(898,365)		(845,705)
Provision for Pension	18		(1,933)		(4,379)
Net assets			<u>2,134,175</u>		<u>2,333,295</u>
Total charity funds:					
Unrestricted income funds			<u>2,134,175</u>		<u>2,333,295</u>

The financial statements were approved by the Governors on 21st November 2023



Mr C C Ashfield

Chairman of Governors



Mr C G Lewis

Chairman of Finance and General Purposes Committee

The accompanying accounting policies and notes form part of these financial statements.

Cash flow statement

	Note	2023 £	2023 £	2022 £	2022 £
Net cash inflow / (outflow) from operating activities	19		198,047		(84,134)
Returns on investments and servicing of finance					
Interest received		6,398		527	
Interest paid		(39,658)		(44,021)	
			(33,260)		(43,494)
Cash used in investing activities					
Payments to acquire tangible fixed assets			(59,305)		(15,417)
Proceeds from sale of property, plant or equipment			-		-
Cash used in financing activities					
Bank loan repayments			(110,335)		(106,583)
(Decrease) in cash in year	20		(4,853)		(249,628)
Cash at the beginning of the reporting period			299,425		549,053
Cash at the end of the reporting period			294,572		299,425

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Incoming resources from charitable activities

	2023	2022
	£	£
School fees and associated income:		
Fees receivable	3,540,589	3,257,807
Less: Bursaries, scholarships and other discounts	(738,309)	(637,347)
Net fees receivable	<u>2,802,280</u>	<u>2,620,460</u>
Disbursements	129,953	129,151
Extra tuition	50,328	42,212
Entrance fees	4,550	2,150
	<u>2,987,111</u>	<u>2,793,973</u>

2 Voluntary income

	2023	2022
	£	£
Donations	<u>1,503</u>	<u>815</u>

3 Investment income

	2023	2022
	£	£
Bank deposit interest	<u>6,398</u>	<u>527</u>

4 Other resources expended

	2023	2022
	£	£
Interest payable on bank loan <i>see also note 12</i>	39,528	43,880
Actuarial gains on Pension Trust scheme	(2,576)	-
Other interest costs	130	141
	<u>37,082</u>	<u>44,021</u>

5 Analysis of total resources expended

	Staff costs	Other	Depreciation	2023 Total
	£	£	£	£
Costs of generating funds				
Advertising and publicity	74,607	73,644	-	148,251
Charitable activities				
School operating costs:				
Teaching and support costs	1,864,144	144,233	-	2,008,377
Catering and support costs	210,144	97,621	-	307,765
Premises	81,632	260,509	78,226	420,367
Support and administration	168,912	127,621	28,556	325,089
Governance costs	-	11,173	-	11,173
	<u>2,324,832</u>	<u>641,157</u>	<u>106,782</u>	<u>3,072,771</u>
Other resources expended				
Interest payable on bank loan	-	39,528	-	39,528
Other gains and losses	-	(2,576)	-	(2,576)
Other interest costs	-	130	-	130
	<u>-</u>	<u>37,082</u>	<u>-</u>	<u>37,082</u>
	<u>2,399,439</u>	<u>751,883</u>	<u>106,782</u>	<u>3,258,104</u>

Total resources expended include:

	2023	2022
	£	£
Auditors' remuneration for audit services <i>excluding</i> VAT	8,900	7,700
Increase in Stock	688	716
Operating lease rentals	3,600	3,600
Professional Indemnity insurance premium	652	582

5 Analysis of total resources expended continued

Comparison Figures from 2022 are as follows:

	Staff costs	Other	Depreciation	2022 Total
	£	£	£	£
Costs of generating funds				
Advertising and publicity	66,805	56,599	-	123,404
Charitable activities				
School operating costs:				
Teaching and support costs	1,792,600	71,498	-	1,864,098
Catering and support costs	182,211	138,405	-	320,616
Premises	75,923	206,620	79,638	362,181
Support and administration	163,558	85,530	20,583	269,671
Governance costs	-	13,807	-	3,807
	<u>2,214,292</u>	<u>515,860</u>	<u>100,221</u>	<u>2,830,373</u>
Other resources expended				
Interest payable on bank loan	-	43,880	-	43,880
Other interest costs	-	141	-	141
	<u>-</u>	<u>44,021</u>	<u>-</u>	<u>44,021</u>
	<u>2,281,097</u>	<u>616,480</u>	<u>100,221</u>	<u>2,997,798</u>

6 Employees

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	2,033,131	1,819,815
Social security costs	160,920	154,476
Other pension costs (note 17)	205,388	293,773
Other staff costs	-	13,033
	<u>2,399,439</u>	<u>2,281,097</u>

The average number of employees of the Charity during the year was 94 (2022: 94). The average number of full time equivalent employees was 61 (2022: 61)

One employee's emoluments were within the range £90,000 - £100,000 (2022: one employee within the range £90,000-£100,000). The total of key management personnel compensation was £380,078 (2022: £369,008).

Contributions were made to a defined contribution pension scheme in respect of the highest paid employee.

7 Transactions with governors and other related parties

No Governors received remuneration in the year, directly or indirectly from the Charity. The total number of governors who incurred expenses was nil (2022: nil). Related party transactions during the year was nil (2022: £3,740).

8 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2022	4,642,370	80,921	482,720	290,123	5,496,134
Additions	38,445	-	6,816	14,043	59,304
Disposals	-	-	-	-	-
At 31 August 2023	<u>4,680,815</u>	<u>80,921</u>	<u>489,536</u>	<u>304,166</u>	<u>5,555,438</u>
Depreciation					
At 1 September 2022	1,478,876	75,934	445,889	257,854	2,258,553
Provided in the year	78,226	1,872	4,169	22,515	106,782
Disposals	-	-	-	-	-
At 31 August 2023	<u>1,557,102</u>	<u>77,806</u>	<u>450,058</u>	<u>280,369</u>	<u>2,365,335</u>
Net book amount					
At 31 August 2023	<u>3,123,713</u>	<u>3,115</u>	<u>39,478</u>	<u>23,797</u>	<u>3,190,103</u>
Net book amount					
At 31 August 2022	<u>3,163,494</u>	<u>4,987</u>	<u>36,831</u>	<u>32,271</u>	<u>3,237,583</u>

9 Stocks

	2023 £	2022 £
Catering provisions and heating fuel	<u>3,470</u>	<u>2,768</u>

10 Debtors

	2023 £	2022 £
Trade debtors	44,373	52,222
Other debtors	33,645	11,762
Prepayments and accrued income	76,855	30,707
	<u>154,873</u>	<u>94,691</u>

11 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	116,253	110,815
Trade creditors	53,734	11,899
Social security and other taxes	35,991	38,216
Other creditors	47,846	1,070
Accruals and deferred income	283,328	289,088
	<u>537,152</u>	<u>451,088</u>

12 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Between one and two years	134,894	116,253
Between two and five years	420,000	414,894
After five years	175,039	314,558
	<u>729,933</u>	<u>845,705</u>

Creditors: amounts falling due after more than one year comprises a bank loan secured over the freehold property which is repayable by December 2029. The original fixed rate agreement for this loan expired in December 2015, which was replaced by a new fixed rate agreement which expires in December 2024.

13 Creditors: fees in advance

The school operates a Fees in Advance scheme, allowing parents to pay a lump sum to be used towards future school fees.

	2023	2022
	£	£
Within one year	71,393	-
Between one and two years	88,671	-
Between two and five years	79,761	-
	<u>239,825</u>	<u>-</u>

14 Liability of members

The Charity does not have any share capital. The members, consisting of the Governors who are also directors, undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up. The Charity has insurance to cover both Professional Indemnity and Governors' Liability. The cover is limited to £2,000,000 (2022: £1,000,000).

15 Leasing commitments

Operating lease payments amounting to £3,600 (2022: £3,600) are due within one year. At 31 August 2023, the charity had aggregate total commitments under non-cancellable operating leases as set out below:

Non-cancellable operating leases which expire:	2023	2022
	£	£
Within 2 to 5 years	1,800	5,400

16 Capital commitments

There were no capital commitments at 31 August 2023 or 31 August 2022.

17 Contingent liabilities

There were no contingent liabilities at 31 August 2023 or 31 August 2022.

18 Pensions

Teachers Pensions

Pension contributions for teachers are paid to Royal London as part of a Defined Contribution Scheme. The amount paid into the scheme for the year was £271,166 (2022: £256,481).

Other Pension Schemes

Pension contributions are also paid to contributory and non-contributory pension schemes for the benefit of non-teaching staff. Non-teaching staff may contribute to one of two money purchase pension schemes. The assets of these schemes are held separately from those of the school in independently administered funds.

The company participates in a multi-employer scheme which provides benefits to some 102 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at with an effective date of 30 September 2020. This actuarial valuation was certified on 21 December 2021 and showed assets of £153.3m, liabilities of £160m and a deficit of £6.7m. To eliminate this funding shortfall, the Trustee and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2026: £1,404,638 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2019 to 30 Sept. 2027: £136,701 per annum (payable monthly and increasing by 3% each on 1st April)

The contributions to 30 September 2027 are in respect of those employers that have agreed concessions (both past and present) with the Trustee.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

Present values of Provision

	2023 £	2022 £	2021 £
Present value of provision	1,933	4,379	19,007

Reconciliation of opening and closing provisions

	2023 £	2022 £
Provision at start of period	4,379	19,007
Unwinding of the discount factor (interest expense)	130	141
Deficit contribution paid	(2,566)	(3,125)
Remeasurements - impact of any change in assumptions	(10)	(128)
Remeasurements - amendments to the contribution schedule	-	(11,516)
Provision at end of period	1,933	4,379
Income and expenditure impact		
Interest expense	130	141
Remeasurements – impact of any change in assumptions	(10)	(128)
Remeasurements – amendments to the contribution schedule	-	(11,516)

Assumptions

	2023 % per annum	2022 % per annum	2021 % per annum
Rate of discount	5.96	4.35	0.81

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

The school is a member of The Peoples Pension scheme as the auto-enrolment pension scheme for the benefit of all non-teaching staff.

All pension contribution costs are recognised in the statement of financial activities as they become payable. Amounts owing to pension schemes as at the year-end amounted to £42,829 (2022: £49,449).

19 Reconciliation of net incoming resources to net cash inflow from operating activities

	2023	2022
	£	£
Net (Outgoing) resources	(199,120)	(178,600)
Net interest paid	33,260	43,494
Depreciation	106,782	100,221
(Increase) in stock	(698)	(713)
(Increase) / Decrease in debtors	(60,182)	30,631
Increase / (Decrease) in creditors	320,451	(64,539)
(Decrease) in provision for pension	(2,446)	(14,628)
Net cash inflow / (outflow) from operating activities	<u>198,047</u>	<u>(84,134)</u>

20 Analysis of changes in net debt

	At 1 Sep 2022	Cash flow	At 31 Aug 2023
	£	£	£
Cash at bank and in hand	299,425	(4,853)	294,572
Bank loan	(956,520)	110,336	(846,184)
	<u>(657,095)</u>	<u>105,483</u>	<u>(551,612)</u>

DURLSTON COURT SCHOOL TRUST LIMITED

England & Wales - Charity number 307325

Accounts

Financial Statements

Durlston Court School Trust Limited

For the Year Ended 31 August 2022

Saffery Champness
CHARTERED ACCOUNTANTS

Charity no. 307325
Company no. 1091930

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Report of the Governors

The Governors are pleased to present their report together with the audited financial statements for the year ended 31 August 2022.

Reference and administrative details of the Charity, its Trustees and Advisors

Durlston Court School Trust Limited ("The Charity") was registered with the Charity Commission in 1973 under charity number 307325. The Charity was incorporated under company number 1091930 on 23 January 1973.

Registered office

Durlston Court School, Becton Lane, Barton-on-Sea, New Milton, Hampshire, BH25 7AQ.

Governors

The Governors who have served during the period, to the date of this report were as follows:

Mr C C Ashfield (Chairman)
Mrs A Bolam – retired 21st March 2022
Mr M G Cooke
Mr P Etheridge
Dr J Hickey
Mrs N James
Mr C G Lewis (Deputy Chairman)
Mrs L Otten
Mr R Porter
Mr R Wilsher

Senior officers

Mr R P May (Headmaster)
Mr B Bates (Bursar and Clerk to the Governors)

Bankers

Barclays Bank plc, Barclays House, Ocean Way, Southampton, SO14 2ZP

Auditors

Saffery Champness LLP, Midland House, 2 Poole Road, Bournemouth, Dorset, BH2 5QY

Solicitors

Clarke Willmott LLP, Burlington House, Botleigh Grange Business Park, Hedge End, Southampton, SO30 2AF

Website

www.durlstoncourt.co.uk

Structure, Governance and Management

The Charity's Governing Document is its Memorandum and Articles of Association, dated 23 January 1973 (and last amended 7 November 2006). It is a company limited by guarantee, having no share capital, and its members undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up.

The Governors are the Charity's trustees and directors and are also collectively referred to in this report as the Governing Body. The number of Governors must not be less than seven or more than thirty. New Governors are appointed by the Governing Body, after careful consideration of eligibility, skills and experience. Suitable candidates may be identified through internal recommendation or external search. New Governors become familiar with the constitution and operation of the Charity through a structured range of induction initiatives. The Charity is a member of AGBIS which provides access to training opportunities for Governors.

The Governors are responsible for the overall management of the Charity which includes determining strategy, establishing key policies, setting aims and objectives, agreeing budgets and longer term plans, reviewing actual performance against objectives and ensuring compliance with relevant statutes and regulations. The Governing Body meets at least three times each year and is supported by four Committees, each of which is chaired by a Governor, covering Finance & General Purposes, Education, Marketing and Risk Management.

The day-to-day management and related decisions, within the policies and parameters determined by the Governors, are delegated to the Headmaster and Bursar who attend the meetings of the Governors and the Committees.

Objectives and Activities

The principal objects for which the Charity was established, as set out in its Governing Document, are to promote and provide for the advancement of education, through the operation of a school or schools.

The principal activity of the Charity is the operation of Durlston Court School, an independent, co-educational preparatory school. Pupils are aged between two and thirteen years.

The principal aim of the school is to provide a happy, secure environment where pupils benefit from an education of the highest quality, to prepare pupils academically, culturally and morally to enable them to progress confidently to the next stage of their education.

The main objectives for the year ended 31 August 2022 related to the quality of the education provided, the award of scholarships and means-tested bursaries, the Charity's involvement with the local community and the Charity's financial position.

During the year, the school announced that we would be extending our educational provision to include GCSE. The gradual expansion of the school will take place from September 2023 when we begin our first Year 9. The first GCSE examinations will take place in the summer term of 2026. We have received an extremely positive response from both existing and prospective parents and further reinforces our charitable aims to provide an outstanding quality of education to the local community. The school has budgeted for the expansion plans over the medium term and looks forward to welcoming our first Year 9 group in September 2023.

The Governors seek to achieve these objectives primarily through effective leadership, a clear commitment to the highest standards of education, service, and financial control.

Strategic Report

Achievements and Performance

During the year under review the Charity achieved its main objectives through effective leadership, a clear commitment to high standards, and strong fiscal control. An inspection by the Independent Schools Inspectorate (ISI), which took place in May 2017 rated the school's provision as 'Excellent' in all areas. A further compliance inspection by the ISI was completed in November 2021, in which the school passed all areas successfully.

Academic standards

Durlston Court pupils continue to achieve great academic and educational success. Year 8 leavers secured places at a number of prestigious senior schools throughout the country, including Ballard, Bryanston, Canford, Dauntsey's, Embley, King Edward VI, Marlborough, Millfield, Talbot Heath, as well as other local schools. A large number of different scholarships were awarded to Durlston pupils by these schools, including: academic, all-rounder, musical and sporting awards, all testament to the superb all-round education and the extraordinarily high standard of teaching and opportunities the pupils enjoy at Durlston Court.

Improvements to the site and facilities

The school continues to invest in the maintenance and improvement of the educational facilities. During the year work has been completed on various classroom refurbishments as well as improving communal areas in the Senior School. Repairs continue to be undertaken in line with the ongoing Maintenance Programme. The school further added to our Chromebook stock, providing all pupils in Year 3 to 8 with their own school device. Total capital expenditure in the year amounted to £15,415.

Pupil numbers

Pupil numbers at year end are 265 (2021: 284) and were in line with objectives.

Bursaries and scholarships

Scholarships were awarded in recognition of academic, sporting or musical excellence. Means-tested bursaries are awarded in appropriate circumstances. The Charity was able to offer full financial assistance to Ukrainian refugees to enable their children to benefit from our education provision. During the year, all eligible requests for means-tested bursarial assistance were met by the Charity.

Involvement with the local community

The School has continued to become involved with the local community. This has covered a number of different areas. We have supported events such as the town Remembrance Parade; we have raised funds for, and offered practical support to, local charitable organisations such as the Christchurch Support Kabin and Lymington Food Bank; our minibuses are loaned out to other schools and youth organisations in the area so that these groups can offer more flexibility in their provision; we have laid on extra performances of our plays and concerts for local elderly residents; we have been carol singing round local care homes. In addition, extending access to the Durlston Holiday Activities to all the local community has meant that we are supporting the childcare needs of working parents in the area, not just the parental body of Durlston Court School. In the summer our Big Gig concert raised a substantial amount of money for a local Ukraine appeal and all through the year we have been providing physical goods for the Ukraine through local organisations.

Financial objectives

Net outgoing resources of £178,600 (2021: incoming resource of £54,760) for the year were in line with expectations, resulting in a net current liability position of £54,200 (2021: positive position of £166,719).

Financial Review

The financial results for the year are presented in the Statement of Financial Activities on page 16.

Net resources have been applied to financing the Capital Development and Maintenance Programme and mortgage repayments. Net school fees amounting to £2,620,460 represented 93.3% of total income, and the operating costs of the school of £2,833,498 represented 94.4% of total expenditure.

Reserves Policy

The Governing Body has a long standing policy to build sufficient reserves to enable the ongoing activities of the School to be maintained. The general aim is to ensure an adequate surplus is achieved each year. At year end the school had unrestricted funds of £2,333,295 (2021: £2,511,895). The level of reserves is reviewed by the Governors annually. The free reserves after excluding fixed assets and related liabilities are £52,232 (2021: £252,611).

In December 2004 the freehold of the estate previously leased by the Charity, was acquired. The associated financing costs and the need for investment in previously rented buildings and grounds, continues to impact on the Charity's ability to build reserves in the short term. However, in the long term the Governors believe that substantial benefits will continue to accrue to the Charity from owning the site.

Remuneration Policy

The key management personnel of the school are the Senior Leadership Team, consisting of the Headmaster, Deputy Head, Director of Teaching & Learning, Head of Pre-Prep, Head of Senior School and Bursar. The remuneration of the Head and Bursar are set by the Remuneration Committee consisting of the Chair and Vice Chair of Governors.

Plans for Future Periods

Further to the announcement that the School will be expanding the education provision to include GCSE, this will now become the key strategic objective for the period to August 2026, at which time the first GCSE examinations will have taken place.

The key elements of the Charity's strategy include the planning and development relating to the provision of new educational facilities for approximately 120 additional pupils. The school will engage with architects and builders to prepare a plan for the delivery of 6 additional classrooms.

The school will also maintain our focus on the continued provision of a high standard of all-round education for all our pupils from Kindergarten to Year 8, financial security and the maximisation of the public benefit provided by the Charity.

Principal Risks and Uncertainties:

The role of the Risk Management Committee is to identify, assess and prioritise the major risks to which the Charity is exposed, and to ensure that these are appropriately managed. Risk Management information is reviewed at each meeting of the Governing Body, with risks being assessed based on how likely a risk is to occur, and the impact on the school if it were to occur. The major risks identified being the impact of the Covid pandemic, economic climate uncertainty, changes to the regulatory, legislative and inspection regime, site and network security, ongoing local competition and incidents involving pupils and/or staff. To mitigate these risks, among other actions, the Governors ensure sufficient financial reserves are maintained, develop and implement an effective marketing plan, seek external legal and regulatory advice, and ensure appropriate risk assessments are in place.

Public Benefit Statement

In considering its future strategy, aims and objectives, the Governors have given due regard to the Charity Commission's guidance on Public Benefit in accordance with Section 4 of the Charities Act 2011.

Statement of Governors' responsibilities for the financial statements

The Governors (who are also directors of Durlston Court School Trust Limited for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

- so far as each Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Auditors

Saffery Champness LLP, who were appointed in 2013, have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE GOVERNING BODY, ALSO APPROVING THE STRATEGIC REPORT
IN THEIR CAPACITY AS DIRECTORS



C C Ashfield - Chairman of Governors
22nd November 2022

Independent auditor's report to the members of Durlston Court School Trust Limited

Opinion

We have audited the financial statements of Durlston Court School Trust Limited for the year ended 31 August 2022 which comprise a statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of Durlston Court School Trust Limited

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 Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has 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 Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

Independent auditor's report to the members of Durlston Court School Trust Limited

irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Further, the charity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charity's operations. We identified the most significant laws and regulations to be those monitored by the Independent Schools Inspectorate.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Independent auditor's report to the members of Durlston Court School 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.



Saffery Champness LLP

.....
Nicholas Fernyhough (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
Midland House
2 Poole Road
Bournemouth
BH2 5QY

Date: **8 February 2023**

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Basis of preparation

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (“SORP (FRS102)”) and Financial Reporting Standard 102. The accounts are drawn up on the historical cost basis of accounting. The School is a Public Benefit Entity as defined by FRS102.

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, the Governors 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.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, Bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from bank balances and savings accounts are accounted for on an accruals basis.

1.3 Donations and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School’s general purposes is accounted for as unrestricted and is credited to the General Reserve.

1.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

1.5 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £250 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

1.6 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

- School buildings, including major extensions 40 - 50 years
- Alterations on change of use and minor extensions 10 - 25 years
- Furniture, machinery and equipment 5 years
- Motor vehicles 5 years
- Computer equipment 5 years

No depreciation is provided on freehold land. Periodic impairment reviews are carried out.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.8 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

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.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

1.9 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, one defined benefit and two defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) Royal London Pension – This scheme is the nominated pension schemes for teachers employed by the school. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.
- (b) The Peoples Pension – Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.
- (c) Pensions Trust Scheme – The costs relating to this scheme are outlined in note 17

1.10 Debtors

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

1.11 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity 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 trade discounts due.

1.13 Financial instruments

The trust 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Critical estimates and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2022 or 2021.

Statement of financial activities (including income and expenditure account)

		Unrestricted Funds	
	Note	2022 £	2021 £
Incoming resources			
Incoming resources from charitable activities	1	2,793,973	2,771,090
Government Furlough Grant		-	302,382
Incoming resources from generated funds:			
Voluntary income	2	815	3,056
Investment income	3	527	1,015
Other incoming resources		12,239	14,433
Total incoming resources		2,807,554	3,091,976
Resources expended			
Costs of generating funds		123,404	111,311
Charitable activities		2,830,373	2,875,647
Other resources expended	4	44,021	50,335
Total resources expended	5	2,997,798	3,037,293
Net (Expenditure) / Income		(190,244)	54,683
Actuarial Gain on Defined Benefit Pension Schemes		11,644	77
Movements in funds		(178,600)	54,760
Total funds brought forward at 1 September 2021		2,511,895	2,457,135
Total funds carried forward at 31 August 2022		2,333,295	2,511,895

All amounts derive from continuing activities.

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

Company number 1091930	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	8		3,237,583		3,322,387
Current assets					
Stocks	9	2,768		2,055	
Debtors	10	94,691		125,322	
Cash at bank and in hand		299,425		549,053	
		<u>396,884</u>		<u>676,430</u>	
Liabilities					
Creditors: amounts falling due within one year	11	(451,088)		(509,711)	
Net current (liabilities)/ assets			<u>(54,204)</u>	<u>166,719</u>	
Total assets less current liabilities			<u>3,183,379</u>	<u>3,489,106</u>	
Creditors: amounts falling due after more than one year	12		(845,705)	(958,204)	
Provision for Pension	17		(4,379)	(19,007)	
Net assets			<u>2,333,295</u>	<u>2,511,895</u>	
Total charity funds:					
Unrestricted income funds			<u>2,333,295</u>	<u>2,511,895</u>	

The financial statements were approved by the Governors on 22nd November 2022



Mr C C Ashfield Chairman of Governors



Mr C G Lewis Chairman of Finance and General Purposes Committee

Cash flow statement

	Note	2022 £	2022 £	2021 £	2021 £
Net cash (outflow) / inflow from operating activities	18		(84,134)		376,494
Returns on investments and servicing of finance					
Interest received		527		1,015	
Interest paid		<u>(44,021)</u>		<u>(50,335)</u>	
			(43,494)		(49,320)
Capital expenditure					
Payments to acquire tangible fixed assets			(15,417)		(23,656)
Proceeds from sale of property, plant or equipment			-		750
Financing					
Bank loan repayments			(106,583)		(100,249)
(Decrease) / Increase in cash in year	19		<u>(249,628)</u>		<u>204,019</u>
Cash at the beginning of the reporting period			549,053		345,034
Cash at the end of the reporting period			<u>299,425</u>		<u>549,053</u>

Notes to the financial statements

1 Incoming resources from charitable activities

	2022	2021
	£	£
School fees and associated income:		
Fees receivable	3,257,807	3,420,442
<u>Less: Covid fee adjustment</u>	-	(159,810)
<u>Less: Bursaries, scholarships and other discounts</u>	<u>(637,347)</u>	<u>(602,322)</u>
Net fees receivable	2,620,460	2,658,310
Disbursements	129,151	96,265
Extra tuition	42,212	13,265
Entrance fees	2,150	3,250
	<u>2,793,973</u>	<u>2,771,090</u>

2 Voluntary income

	2022	2021
	£	£
Voluntary income		
Donations	<u>815</u>	<u>3,056</u>

3 Investment income

	2022	2021
	£	£
Investment income		
Bank deposit interest	<u>527</u>	<u>1,015</u>

4 Other resources expended

	2022	2021
	£	£
Other resources expended		
Interest payable on bank loan <i>see also note 12</i>	43,880	50,201
Other interest costs	141	134
	<u>44,021</u>	<u>50,335</u>

5 Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	2022 Total £
Costs of generating funds				
Advertising and publicity	66,805	56,599	-	123,404
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Charitable activities				
School operating costs:				
Teaching and support costs	1,792,600	71,498	-	1,864,098
Catering and support costs	182,211	138,405	-	320,616
Premises	75,923	206,620	79,638	362,181
Support and administration	163,558	85,530	20,583	269,671
Governance costs	-	13,807	-	13,807
	<u>2,214,292</u>	<u>515,860</u>	<u>100,221</u>	<u>2,830,373</u>
Other resources expended				
Interest payable on bank loan	-	43,880	-	43,880
Other interest costs	-	141	-	141
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u>44,021</u>	<u> </u>	<u>44,021</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>2,281,097</u>	<u>616,480</u>	<u>100,221</u>	<u>2,997,798</u>

Total resources expended include:

	2022 £	2021 £
Auditors' remuneration for audit services <i>excluding VAT</i>	7,700	7,000
Increase / (Decrease) in Stock	713	813
Operating lease rentals	3,600	6,474
Professional Indemnity insurance premium	582	664
	<u> </u>	<u> </u>

5 Analysis of total resources expended continued

Comparison Figures from 2021 are as follows:

	Staff costs £	Other £	Depreciation £	2021 Total £
Costs of generating funds				
Advertising and publicity	60,026	51,285	-	111,311
Charitable activities				
School operating costs:				
Teaching and support costs	1,767,247	126,231	-	1,893,478
Catering and support costs	101,527	64,800	-	166,327
Premises	124,265	262,614	84,137	471,016
Support and administration	192,693	107,770	35,980	336,443
Governance costs	-	8,383	-	8,383
	2,185,732	569,798	120,117	2,875,647
Other resources expended				
Interest payable on bank loan	-	50,201	-	50,201
Other interest costs	-	134	-	134
	-	50,335	-	50,335
	2,245,758	671,418	120,117	3,037,293

6 Employees

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	1,819,815	1,794,011
Social security costs	154,476	145,875
Other pension costs (note 17)	293,773	287,047
Other staff costs	13,033	18,825
	2,281,097	2,245,758

The average number of employees of the Charity during the year was 94 (2021: 95). The average number of full time equivalent employees was 61 (2021: 64)

One employee's emoluments were within the range £80,000 - £90,000 (2021: one employee within the range £90,000-£100,000). The total of key management personnel compensation was £308,938 (2021: £340,426).

Contributions were made to a defined contribution pension scheme in respect of the highest paid employee.

7 Transactions with governors and other related parties

No Governors, received remuneration in the year, directly or indirectly from the Charity. In 2022, the total amount of donations received without conditions from Governors was nil (2021: nil). In 2022 expenses paid on behalf of governors to third parties amounted to nil (2021: nil). The total number of governors who incurred expenses was nil (2021: nil). During the year transactions were made for children's activities to a company where a Governor is a Director. Total during 2022 £3,740 (2021: nil).

8 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2021	4,642,370	80,921	472,650	284,778	5,480,719
Additions	-	-	10,070	5,347	15,417
Disposals	-	-	-	-	-
At 31 August 2022	4,642,370	80,921	482,720	290,125	5,496,136
Depreciation					
At 1 September 2021	1,399,237	72,173	442,132	244,790	2,158,332
Provided in the year	79,639	3,761	3,757	13,064	100,221
Disposals	-	-	-	-	-
At 31 August 2022	1,478,876	75,934	445,889	257,854	2,258,553
Net book amount					
At 31 August 2022	3,163,494	4,987	36,831	32,271	3,237,583
Net book amount					
At 31 August 2021	3,243,133	8,748	30,518	39,988	3,322,387

9 Stocks

	2022 £	2021 £
Catering provisions and heating fuel	2,768	2,055

10 Debtors

	2022 £	2021 £
Trade debtors	52,222	18,191
Other debtors	11,762	17,298
Prepayments and accrued income	30,707	89,833
	94,691	125,322

11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	110,815	104,899
Trade creditors	11,899	61,750
Social security and other taxes	38,216	-
Other creditors	1,070	3,850
Accruals and deferred income	289,088	339,212
	<u>451,088</u>	<u>509,711</u>

12 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Between one and two years	116,253	109,765
Between two and five years	414,894	384,084
After five years	314,558	464,355
	<u>845,705</u>	<u>958,204</u>

Creditors: amounts falling due after more than one year comprises a bank loan secured over the freehold property which is repayable by December 2029. The original fixed rate agreement for this loan expired in December 2015, to be replaced by a new fixed rate agreement which expires in December 2024.

13 Liability of members

The Charity does not have any share capital. The members, consisting of the Governors who are also directors, undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up. The Charity has insurance to cover both Professional Indemnity and Governors' Liability. The cover is limited to £1,000,000 (2021: £1,000,000).

14 Leasing commitments

Operating lease payments amounting to £3,600 (2021: £3,600) are due within one year. At 31 August 2022, the charity had aggregate total commitments under non-cancellable operating leases as set out below:

Non-cancellable operating leases which expire:	2022	2021
	£	£
Within 2 to 5 years	<u>5,400</u>	<u>10,800</u>

15 Capital commitments

There were no capital commitments at 31 August 2022 or 31 August 2021.

16 Contingent liabilities

There were no contingent liabilities at 31 August 2022 or 31 August 2021.

17 Pensions

Teachers Pensions

Pension contributions for teachers are paid to Royal London as part of a Defined Contribution Scheme. The amount paid into the scheme for the year was £256,481 (2021: £251,296).

Other Pension Schemes

Pension contributions are also paid to contributory and non-contributory pension schemes for the benefit of non-teaching staff. Non-teaching staff may contribute to one of two money purchase pension schemes. The assets of these schemes are held separately from those of the school in independently administered funds.

The company participates in a multi-employer scheme which provides benefits to some 82 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at with an effective date of 30 September 2020. This actuarial valuation was certified on 21 December 2021 and showed assets of £153.3m, liabilities of £160m and a deficit of £6.7m. To eliminate this funding shortfall, the Trustee and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 May 2024: £1,507,960 per annum (payable monthly and increasing by 3% each on 1st April)

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 29 February 2028.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 30 Sept 2026: £1,404,638 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2019 to 30 Sept. 2027: £136,701 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

Present values of Provision

	2022	2021	2020
	£	£	£
Present value of provision	4,379	19,007	22,436

Reconciliation of opening and closing provisions

	2022	2021
	£	£
Provision at start of period	19,007	22,436
Unwinding of the discount factor (interest expense)	141	134
Deficit contribution paid	(3,125)	(3,486)
Remeasurements - impact of any change in assumptions	(128)	(77)
Remeasurements - amendments to the contribution schedule	(11,516)	-
Provision at end of period	4,379	19,007

Income and expenditure impact

Interest expense	141	134
Remeasurements – impact of any change in assumptions	(128)	(77)
Remeasurements – amendments to the contribution schedule	(11,516)	-

Assumptions

	2022	2021	2020
	% per annum	% per annum	% per annum
Rate of discount	4.35	0.81	0.65

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

The school is a member of The Peoples Pension scheme as the auto-enrolment pension scheme for the benefit of all non-teaching staff.

All pension contribution costs are recognised in the statement of financial activities as they become payable. Amounts owing to pension schemes as at the year-end amounted to £49,449 (2021: £39,237).

18 Reconciliation of net incoming resources to net cash inflow from operating activities

	2022	2021
	£	£
Net (Outgoing) / Incoming resources	(178,600)	54,760
Net interest	43,494	49,320
Depreciation	100,221	120,117
Profit from sale of property, plant or equipment	-	(750)
(Increase) in stock	(713)	(813)
Decrease in debtors	30,631	114,620
(Decrease) / Increase in creditors	(64,539)	42,669
(Decrease) in provision for pension	(14,628)	(3,429)
Net cash (outflow) / inflow from operating activities	<u>(84,134)</u>	<u>376,494</u>

19 Analysis of changes in net debt

	At 31 Aug 2022	Cash flow	At 1 Sep 2021
	£	£	£
Cash at bank and in hand	299,425	(249,628)	549,053
Bank loan	(956,520)	106,583	(1,063,103)
	<u>(657,095)</u>	<u>(143,045)</u>	<u>(514,050)</u>

DURLSTON COURT SCHOOL TRUST LIMITED

England & Wales - Charity number 307325

Accounts

Financial Statements

Durlston Court School Trust Limited

For the Year Ended 31 August 2021

Saffery Champness
CHARTERED ACCOUNTANTS

**Charity no. 307325
Company no. 1091930**

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Report of the Governors

The Governors are pleased to present their report together with the audited financial statements for the year ended 31 August 2021.

Reference and administrative details of the Charity, its Trustees and Advisors

Durlston Court School Trust Limited ("The Charity") was registered with the Charity Commission in 1973 under charity number 307325. The Charity was incorporated under company number 1091930 on 23 January 1973.

Registered office

Durlston Court School, Becton Lane, Barton-on-Sea, New Milton, Hampshire, BH25 7AQ.

Governors

The Governors who have served during the period, to the date of this report were as follows:

Mr C C Ashfield (Chairman)
Mrs A Bolam
Mr M G Cooke
Mr P Etheridge
Mr P Hardy – retired 31st August 2021
Dr J Hickey
Mrs N James
Mr C G Lewis (Deputy Chairman)
Mrs L Otten
Mr R Porter
Mr R Wilsher – resigned 1st December 2020, reappointed effective 1st September 2021

Senior officers

Mr R P May (Headmaster)
Mr A R Thomas (Bursar and Clerk to the Governors) – resigned 1st December 2020
Mr R Wilsher (Interim-Bursar) – appointed 2nd December 2020, resigned 31st July 2021
Mr B Bates (Bursar and Clerk to the Governors) – appointed 1st August 2021

Bankers

Barclays Bank plc, Barclays House, Ocean Way, Southampton, SO14 2ZP

Auditors

Saffery Champness LLP, Midland House, 2 Poole Road, Bournemouth, Dorset, BH2 5QY

Solicitors

Clarke Willmott LLP, Burlington House, Botleigh Grange Business Park, Hedge End, Southampton, SO30 2AF

Surveyors

Cluttons, Portman House, 2 Portman Street, London, W1H 6DU

Website

www.durlstoncourt.co.uk

Structure, Governance and Management

The Charity's Governing Document is its Memorandum and Articles of Association, dated 23 January 1973 (and last amended 7 November 2006). It is a company limited by guarantee, having no share capital, and its members undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up.

The Governors are the Charity's trustees and directors and are also collectively referred to in this report as the Governing Body. The number of Governors must not be less than seven or more than thirty. New Governors are appointed by the Governing Body, after careful consideration of eligibility, skills and experience. Suitable candidates may be identified through internal recommendation or external search. New Governors become familiar with the constitution and operation of the Charity through a structured range of induction initiatives. The Charity is a member of AGBIS which provides access to training opportunities for Governors.

The Governors are responsible for the overall management of the Charity which includes determining strategy, establishing key policies, setting aims and objectives, agreeing budgets and longer term plans, reviewing actual performance against objectives and ensuring compliance with relevant statutes and regulations. The Governing Body meets at least three times each year and is supported by four Committees, each of which is chaired by a Governor, covering Finance & General Purposes, Education, Marketing and Risk Management.

The day-to-day management and related decisions, within the policies and parameters determined by the Governors, are delegated to the Headmaster and Bursar who attend the meetings of the Governors and the Committees.

Objectives and Activities

The principal objects for which the Charity was established, as set out in its Governing Document, are to promote and provide for the advancement of education, through the operation of a school or schools.

The principal activity of the Charity is the operation of Durlston Court School, an independent, co-educational preparatory school. Pupils are aged between two and thirteen years.

The principal aim of the school is to provide a happy, secure environment where pupils benefit from an education of the highest quality, to prepare pupils academically, culturally and morally to enable them to progress confidently to the next stage of their education.

The main objectives for the year ended 31 August 2021 related to the quality of the education provided, the award of scholarships and means-tested bursaries, the Charity's involvement with the local community and the Charity's financial position.

The Governors seek to achieve these objectives primarily through effective leadership, a clear commitment to the highest standards of education, service, and financial control.

Strategic Report

Achievements and Performance

During the year under review the Charity achieved its main objectives through effective leadership, a clear commitment to high standards, and strong fiscal control. An inspection by the Independent Schools Inspectorate (ISI), which took place in May 2017 rated the school's provision as 'Excellent' in all areas.

The impact of Covid-19 continued to challenge the school during this academic year. A confident start to the autumn term was followed by a quick and efficient move to the provision of online education at the

start of the spring term. This ensured a seamless delivery of the curriculum during the mandatory lockdown. The Charity continued to achieve its objectives of maintaining high standards of education and service, attracting and retaining pupils, and the effectiveness of management and financial control. The key factors outside the Charity's control that influence its ability to achieve its objectives are the ongoing Covid 19 pandemic, uncertainty of the economic conditions, local competition, new legislation and demographic change.

Academic standards

Durlston Court pupils continue to achieve great academic and educational success. Year 8 leavers secured places at a number of prestigious senior schools throughout the country, including BCS, Bradfield, Canford, Clayesmore, Embley, King's College Qatar, King Edward VI and Millfield, as well as other local schools. A large number of different scholarships were awarded to Durlston pupils by these schools, including: academic, all-rounder, creative arts, drama, musical and sporting awards, all testament to the superb all round education and the extraordinarily high standard of teaching the pupils enjoy at Durlston Court.

Improvements to the site and facilities

In 2020-21, despite there being limited improvements due to the Covid-19 pandemic, we have undertaken a series of improvement works around the school. This includes window replacements, classroom decoration and upgrades to the Pre-Prep play equipment. Repairs to the School were undertaken in line with the ongoing Maintenance Programme, with additional expenditure required to support effective operation of the school during the Covid-19 pandemic, supporting compliance with relevant operating regulations. Further investment was made to the IT infrastructure - including the continued rollout of Chromebooks for the Google Classroom initiative. This investment in recent years proved invaluable when pupils were required to be taught remotely at home during the Covid-19 lockdown. Total capital expenditure in the year amounted to £23,656.

Pupil numbers

Pupil numbers of 284 in July 2021 (271 in July 2020) were in line with objectives.

Bursaries and scholarships

Scholarships were awarded in recognition of academic, sporting or musical excellence. Means-tested bursaries are awarded in appropriate circumstances. During the year, all eligible requests for means-tested bursarial assistance were met by the Charity.

Involvement with the local community

While there have been limited opportunities to engage with the local community because of Covid restrictions, the school has continued to support charities such as the Christchurch Soup Kitchen and Lymington Food Bank.

Over the last 18 months, the school has focused on expanding its provision of activities during school holidays. With Covid this has been aimed at Durlston children, but the ending of restrictions has seen a move to offer the facilities to the wider community as well. This not only provides the opportunity for children to benefit from the use of Durlston Court's extensive facilities, but also supports the childcare needs of working parents in the holidays.

Financial objectives

Net incoming resources of £54,760 for the year were in line with expectations, with a positive net current asset position of £166,719.

Financial Review

The financial results for the year are presented in the Statement of Financial Activities on page 16.

Net resources have been applied to financing the Capital Development and Maintenance Programme and mortgage repayments. Net school fees amounting to £2,658,310 represented 85.9% of total income, and the operating costs of the school of £2,875,647 represented 94.7% of total expenditure.

Reserves Policy

The aim is to ensure that unrestricted reserves should be sufficient to avoid the necessity of realising fixed assets held for the Charity's use and to ensure that net current assets are equivalent to at least 10% of the average annual expenditure (less depreciation) of the previous two years. During the year the school achieved 5% of reserves and it continues to be a priority of the Governors to maintain current assets at least equal to current liabilities and reserves at the desired level. The level of reserves is reviewed by the Governors annually.

In December 2004 the freehold of the estate previously leased by the Charity, was acquired. The associated financing costs and the need for investment in previously rented buildings and grounds, continues to impact on the Charity's ability to build reserves in the short term. However, in the long term the Governors believe that substantial benefits will continue to accrue to the Charity from owning the site.

Remuneration Policy

The key management personnel of the school are the Senior Leadership Team, consisting of the Headmaster, Deputy Head, Director of Learning and Head of Pre-Prep, Head of Senior School and Bursar. The remuneration of the Head and Bursar are set by the Remuneration Committee consisting of the Chair and Vice Chair of Governors.

Plans for Future Periods

The Charity has a 5 Year Plan which sets out the key strategic objectives for the period to 31 August 2025. The Governors have set these objectives with regard to the Charity Commission guidance on public benefit. The key elements of the Charity's strategy are the continued provision of a high standard of all-round education, financial security and the maximisation of the public benefit provided by the Charity.

The Charity's Capital Development Plan sets out expenditure on key facilities during this 5-year period, with priorities being re-assessed on an ongoing basis. With support from a local architect and a building consultant in 2014-15, the school prepared a site masterplan for the optimisation of school grounds and buildings. In line with this masterplan, there have been many improvements to the school site over the last few years including the construction of a new Design and Technology facility, the building of a lobby and garden patio area for Art, the creation of a dedicated Ceramics Studio, the installation of two new all-weather sports courts, enhancements to the Swimming Pool area, improved parking arrangements for staff and parents, conversion of main school accommodation for teaching and hospitality, and enlarged playground space for pupils. Further expansion and investment in facilities is being considered as part of this site optimisation initiative.

Principal Risks and Uncertainties:

The role of the Risk Management Committee is to identify, assess and prioritise the major risks to which the Charity is exposed, and to ensure that these are appropriately managed. Risk Management information is reviewed at each meeting of the Governing Body, with risks being assessed based on how likely a risk is to occur, and the impact on the school if it were to occur. The major risks identified being the impact of the Covid pandemic, economic climate uncertainty, changes to the regulatory, legislative and inspection regime, site and network security, ongoing local competition and incidents involving pupils and/or staff. To mitigate these risks, among other actions, the Governors ensure sufficient financial reserves are maintained, develop and implement an effective marketing plan, seek external legal and regulatory advice, and ensure appropriate risk assessments are in place.

Public Benefit Statement

In considering its future strategy, aims and objectives, the Governors have given due regard to the Charity Commission's guidance on Public Benefit in accordance with Section 4 of the Charities Act 2011.

Statement of Governors' responsibilities for the financial statements

The Governors (who are also directors of Durlston Court School Trust Limited for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

- so far as each Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Auditors

Saffery Champness LLP, who were appointed in 2013, have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE GOVERNING BODY, ALSO APPROVING THE STRATEGIC REPORT
IN THEIR CAPACITY AS DIRECTORS

A handwritten signature in black ink, appearing to read 'C C Ashfield', written over a horizontal line.

C C Ashfield - Chairman of Governors
30th November 2021

Independent auditor's report to the members of Durlston Court School Trust Limited

Opinion

We have audited the financial statements of Durlston Court School Trust Limited for the year ended 31 August 2021 which comprise a statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of Durlston Court School Trust Limited

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 Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has 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 Trustees' Annual Report:

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

Independent auditor's report to the members of Durlston Court School Trust Limited

irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Further, the charity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charity's operations. We identified the most significant laws and regulations to be those monitored by the Independent Schools Inspectorate.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Independent auditor's report to the members of Durlston Court School 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.

Saffery Champness LLP

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Nicholas Fernyhough (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
Midland House
2 Poole Road
Bournemouth
BH2 5QY

Date: 22 December 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Basis of preparation

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (“SORP (FRS102)”) and Financial Reporting Standard 102. The accounts are drawn up on the historical cost basis of accounting. The School is a Public Benefit Entity as defined by FRS102.

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, the Governors 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.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, Bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from bank balances and savings accounts are accounted for on an accruals basis.

1.3 Donations and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School’s general purposes is accounted for as unrestricted and is credited to the General Reserve.

1.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

1.5 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £250 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

1.6 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

- School buildings, including major extensions 40 - 50 years
- Alterations on change of use and minor extensions 10 - 25 years
- Furniture, machinery and equipment 5 years
- Motor vehicles 5 years
- Computer equipment 5 years

No depreciation is provided on freehold land. Periodic impairment reviews are carried out.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.8 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

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.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

1.9 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, one defined benefit and two defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) Royal London Pension – This scheme is the nominated pension schemes for teachers employed by the school. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.
- (b) The Peoples Pension – Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.
- (c) Pensions Trust Scheme – The costs relating to this scheme are outlined in note 17

1.10 Debtors

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

1.11 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity 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 trade discounts due.

1.13 Financial instruments

The trust 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Critical estimates and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2021 or 2020.

Statement of financial activities

		Unrestricted Funds	
	Note	2021 £	2020 £
Incoming resources			
Incoming resources from charitable activities	1	2,771,090	2,522,838
Government Furlough Grant		302,382	405,588
Incoming resources from generated funds:			
Voluntary income	2	3,056	21,025
Investment income	3	1,015	10,188
Other incoming resources		14,433	8,649
Total incoming resources		<u>3,091,976</u>	<u>2,968,288</u>
Resources expended			
Costs of generating funds		111,311	107,781
Charitable activities		2,875,647	2,850,688
Other resources expended	4	50,335	55,077
Total resources expended	5	<u>3,037,293</u>	<u>3,013,546</u>
Net Income / (Expenditure)		54,683	(45,258)
Actuarial Gain / (Loss) on Defined Benefit Pension Schemes		77	(231)
Movements in funds		54,760	(45,489)
Total funds brought forward at 1 September 2020		2,457,135	2,502,624
Total funds carried forward at 31 August 2021		<u>2,511,895</u>	<u>2,457,135</u>

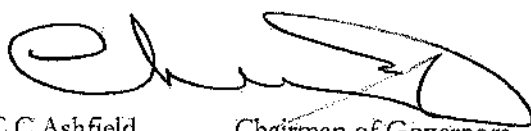
All amounts derive from continuing activities.

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

Company number 1091930	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	8		3,322,387		3,418,848
Current assets					
Stocks	9	2,055		1,242	
Debtors	10	125,322		239,942	
Cash at bank and in hand		549,053		345,034	
		<u>676,430</u>		<u>586,218</u>	
Liabilities					
Creditors: amounts falling due within one year	11	(509,711)		(462,391)	
Net current assets			<u>166,719</u>		<u>123,827</u>
Total assets less current liabilities			<u>3,489,106</u>		<u>3,542,675</u>
Creditors: amounts falling due after more than one year	12		(958,204)		(1,063,104)
Provision for Pension	17		(19,007)		(22,436)
Net assets			<u>2,511,895</u>		<u>2,457,135</u>
Total charity funds:					
Unrestricted income funds			<u>2,511,895</u>		<u>2,457,135</u>

The financial statements were approved by the Governors on 30th November 2021.



Mr C.C. Ashfield Chairman of Governors



Mr C.G. Lewis Chairman of Finance and General Purposes Committee

The accompanying accounting policies and notes form part of these financial statements.

Cash flow statement

	Note	2021 £	2021 £	2020 £	2020 £
Net cash inflow / (outflow) from operating activities	18		376,494		(63,597)
Returns on investments and servicing of finance					
Interest received		1,015		10,188	
Interest paid		<u>(50,335)</u>		<u>(55,077)</u>	
			(49,320)		(44,889)
Capital expenditure					
Payments to acquire tangible fixed assets			(23,656)		(68,815)
Proceeds from sale of property, plant or equipment			750		-
Financing					
Bank loan repayments			<u>(100,249)</u>		<u>(95,814)</u>
Increase / (Decrease) in cash in year	19		<u>204,019</u>		<u>(273,115)</u>

Notes to the financial statements

1 Incoming resources from charitable activities

	2021	2020
	£	£
School fees and associated income:		
Fees receivable	3,420,442	3,348,081
<u>Less: Spring term 2021 Covid fee adjustment</u>	<u>(159,810)</u>	<u>(382,875)</u>
<u>Less: Bursaries, scholarships and other discounts</u>	<u>(602,322)</u>	<u>(556,334)</u>
Net fees receivable	<u>2,658,310</u>	<u>2,408,872</u>
Disbursements	96,265	87,245
Extra tuition	13,265	23,571
Entrance fees	3,250	3,150
	<u>2,771,090</u>	<u>2,522,838</u>

2 Voluntary income

	2021	2020
	£	£
Voluntary income		
Donations	<u>3,056</u>	<u>21,025</u>

During the year donations for the purchase of fixed assets amounted to nil (2020: £18,500)

3 Investment income

	2021	2020
	£	£
Investment income		
Bank deposit interest	<u>1,015</u>	<u>10,188</u>

4 Other resources expended

	2021	2020
	£	£
Other resources expended		
Interest payable on bank loan <i>see also note 12</i>	50,201	54,844
Other interest costs	134	233
	<u>50,335</u>	<u>55,077</u>

5 Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	2021 Total £	2020 Total £
Costs of generating funds					
Advertising and publicity	60,026	51,285	-	111,311	107,781
Charitable activities					
School operating costs:					
Teaching and support costs	1,767,247	126,231	-	1,893,478	1,998,169
Catering and support costs	101,527	64,800	-	166,327	159,407
Premises	124,265	262,614	84,137	471,016	393,919
Support and administration	192,693	107,770	35,980	336,443	289,448
Governance costs	-	8,383	-	8,383	9,745
	<u>2,185,732</u>	<u>569,798</u>	<u>120,117</u>	<u>2,875,647</u>	<u>2,850,688</u>
Other resources expended					
Interest payable on bank loan	-	50,201	-	50,201	54,844
Other interest costs	-	134	-	134	233
	<u>-</u>	<u>50,335</u>	<u>-</u>	<u>50,335</u>	<u>55,077</u>
	<u>2,245,758</u>	<u>671,418</u>	<u>120,117</u>	<u>3,037,293</u>	<u>3,013,546</u>

Total resources expended include:

	2021 £	2020 £
Auditors' remuneration for audit services <i>excluding VAT</i>	7,000	6,850
Increase / (Decrease) in Stock	813	(1,336)
Operating lease rentals	6,474	7,006
Professional Indemnity insurance premium	664	664

6 Employees

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,812,836	1,924,244
Social security costs	145,875	162,680
Other pension costs (note 17)	287,047	263,562
	<u>2,245,758</u>	<u>2,350,486</u>

The average number of employees of the Charity during the year was 95 (2020: 97). The average number of full time equivalent employees was 64 (2020: 66)

One employee's emoluments were within the range £80,000 - £90,000 (2020: one employee within the range £90,000-£100,000). The total of key management personnel compensation was £340,426 (2020: £356,033)

Contributions were made to a defined contribution pension scheme in respect of the highest paid employee.

7 Transactions with governors and other related parties

No Governors, received remuneration in the year, directly or indirectly from the Charity. In 2021, the total amount of donations received without conditions from Governors was nil (2020: nil). In 2021 expenses paid on behalf of governors to third parties amounted to nil (2020: £405). The total number of governors who incurred expenses was nil (2020: 1)

8 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2020	4,642,370	103,727	458,970	274,802	5,479,869
Additions			13,680	9,976	23,656
Disposals	-	(22,806)	-	-	(22,806)
At 31 August 2021	<u>4,642,370</u>	<u>80,921</u>	<u>471,650</u>	<u>284,778</u>	<u>5,480,719</u>
Depreciation					
At 1 September 2020	1,315,100	90,245	429,743	225,933	2,061,021
Provided in the year	84,137	4,734	12,389	18,857	120,117
Disposals	-	(22,806)	-	-	(22,806)
At 31 August 2021	<u>1,399,237</u>	<u>72,173</u>	<u>442,132</u>	<u>244,790</u>	<u>2,158,332</u>
Net book amount					
At 31 August 2021	<u>3,243,133</u>	<u>8,748</u>	<u>29,518</u>	<u>39,988</u>	<u>3,322,387</u>
Net book amount					
At 31 August 2020	<u>3,327,270</u>	<u>13,482</u>	<u>29,227</u>	<u>48,869</u>	<u>3,418,848</u>

9 Stocks

	2021 £	2020 £
Catering provisions and heating fuel	<u>2,055</u>	<u>1,242</u>

10 Debtors

	2021 £	2020 £
Trade debtors	18,191	42,317
Other debtors	17,298	144,280
Prepayments and accrued income	89,833	53,345
	<u>125,322</u>	<u>239,942</u>

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	104,899	100,248
Trade creditors	61,750	45,245
Social security and other taxes	-	36,914
Other creditors	3,850	30,483
Accruals and deferred income	339,212	249,501
	<u>509,711</u>	<u>462,391</u>

12 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Between one and two years	109,765	104,897
Between two and five years	384,084	344,634
After five years	464,355	613,573
	<u>958,204</u>	<u>1,063,104</u>

Creditors: amounts falling due after more than one year comprises a bank loan secured over the freehold property which is repayable by December 2029. The original fixed rate agreement for this loan expired in December 2015, to be replaced by a new fixed rate agreement which expires in December 2024.

13 Liability of members

The Charity does not have any share capital. The members, consisting of the Governors who are also directors, undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up. The Charity has insurance to cover both Professional Indemnity and Governors' Liability. The cover is limited to £1,000,000 (2020: £1,000,000).

14 Leasing commitments

Operating lease payments amounting to £3,600 (2020: £6,402) are due within one year. At 31 August 2021, the charity had aggregate total commitments under non-cancellable operating leases as set out below:

Non-cancellable operating leases which expire:	2021	2020
	£	£
Within 2 to 5 years	<u>10,800</u>	<u>12,600</u>

15 Capital commitments

There were no capital commitments at 31 August 2021 or 31 August 2020.

16 Contingent liabilities

There were no contingent liabilities at 31 August 2021 or 31 August 2020.

17 Pensions

Teachers Pensions

The School previously participated in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. Contributions to this scheme for the year was nil.

From 1st September 2020, pension contributions for teachers are now paid to Royal London as part of a Defined Contribution Scheme. The amount paid into the scheme for the year was £251,296.

Other Pension Schemes

Pension contributions are also paid to contributory and non-contributory pension schemes for the benefit of non-teaching staff. Non-teaching staff may contribute to one of two money purchase pension schemes. The assets of these schemes are held separately from those of the school in independently administered funds.

The company participates in a multi-employer scheme which provides benefits to some 102 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at with an effective date of 30 September 2017. This actuarial valuation was certified on 19 December 2018 and showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 Sept 2026: £1,404,638 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2019 to 30 Sept. 2027: £136,701 per annum (payable monthly and increasing by 3% each on 1st April)

The contributions to 30 September 2027 are in respect of those employers that have agreed concessions (both past and present) with the Trustee.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

Present values of Provision

	2021	2020	2019
	£	£	£
Present value of provision	19,007	22,388	26,178

Reconciliation of opening and closing provisions

	2021	2020
	£	£
Provision at start of period	22,436	25,356
Unwinding of the discount factor (interest expense)	134	233
Deficit contribution paid	(3,486)	(3,384)
Remeasurements - impact of any change in assumptions	(77)	231
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	19,007	22,436

Income and expenditure impact

	2021	2020
	£	£
Interest expense	134	233
Remeasurements – impact of any change in assumptions	(77)	231
Remeasurements – amendments to the contribution schedule	-	-

Assumptions

	2021	2020	2019
	% per annum	% per annum	% per annum
Rate of discount	0.81	0.65	0.99

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

In August 2016, the school started its auto-enrolment pension scheme with The Peoples Pension for the benefit of all non-teaching staff and going forwards this will be the only pension scheme offered.

All pension contribution costs are recognised in the statement of financial activities as they become payable. Amounts owing to pension schemes as at the year-end amounted to £39,237 (2020: £30,484).

18 Reconciliation of net incoming resources to net cash inflow from operating activities

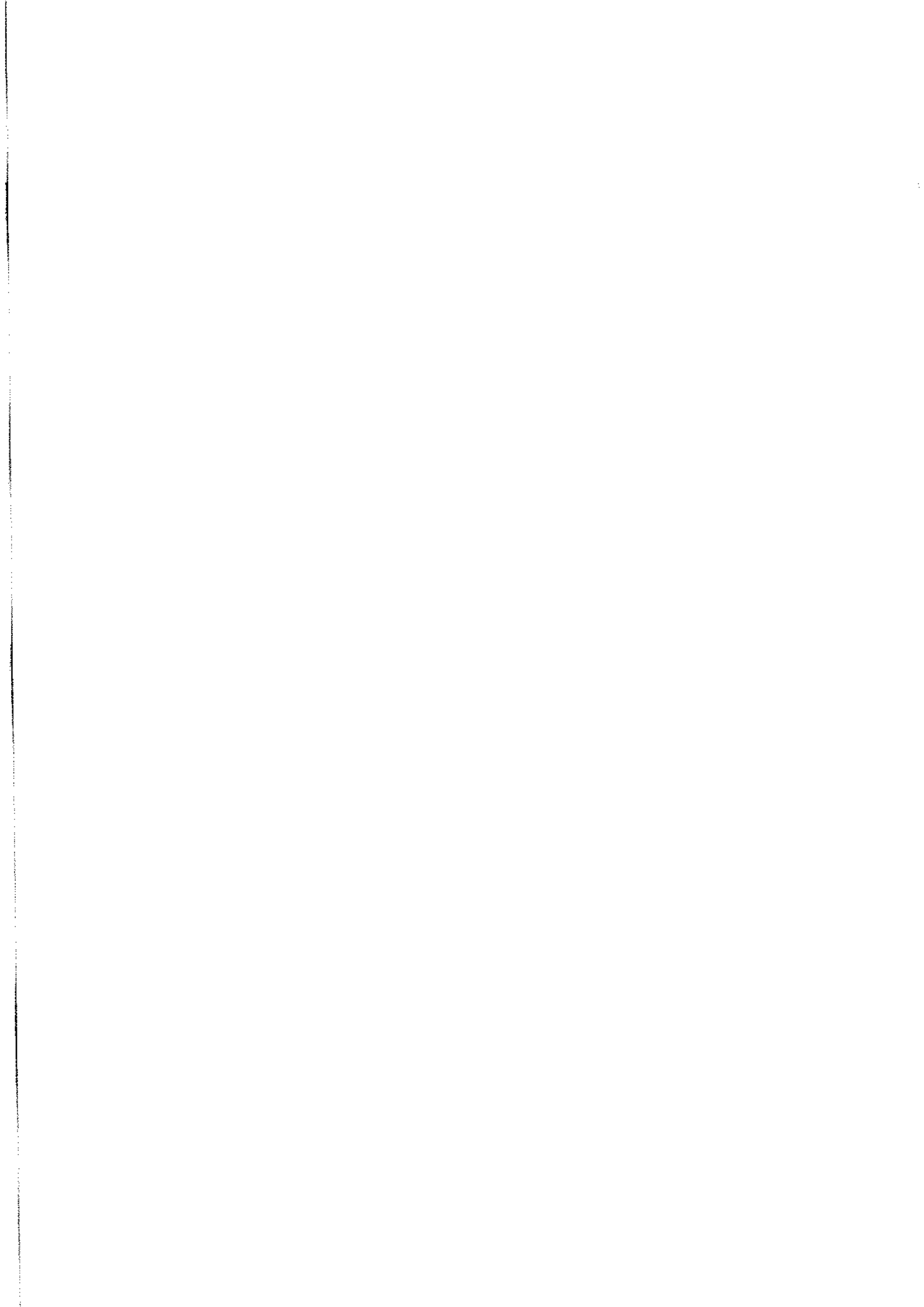
	2021 £	2020 £
Net Incoming / (Outgoing) resources	54,760	(45,489)
Net interest	49,320	44,889
Depreciation	120,117	125,501
Profit from sale of property, plant or equipment	(750)	-
(Increase) / Decrease in stock	(813)	1,336
Decrease / (Increase) in debtors	114,620	(104,892)
Increase / (Decrease) in creditors	42,669	(82,022)
(Decrease) in provision for pension	(3,429)	(2,920)
Net cash inflow / (outflow) from operating activities	<u>376,494</u>	<u>(63,597)</u>

19 Reconciliation of net cash flow to movement in net debt

	2021 £	2020 £
Increase (Decrease) in cash	204,019	(273,115)
Bank loan repayments	100,249	95,814
Decrease in net debt	304,268	(177,301)
Net debt at 1 September 2020	(818,318)	(641,017)
Net debt at 31 August 2021	<u>(514,050)</u>	<u>(818,318)</u>

20 Analysis of changes in net debt

	At 31 Aug 2021 £	Cash flow £	At 1 Sep 2020 £
Cash at bank and in hand	549,053	204,019	345,034
Bank loan	(1,063,103)	100,249	(1,163,352)
	<u>(514,050)</u>	<u>304,268</u>	<u>(818,318)</u>



DURLSTON COURT SCHOOL TRUST LIMITED

England & Wales - Charity number 307325

Accounts

Financial Statements

Durlston Court School Trust Limited

For the Year Ended 31 August 2020

Saffery Champness
CHARTERED ACCOUNTANTS

Charity no. 307325
Company no. 1091930

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Report of the Governors

The Governors are pleased to present their report together with the audited financial statements for the year ended 31 August 2020.

Reference and administrative details of the Charity, its Trustees and Advisors

Durlston Court School Trust Limited ("The Charity") was registered with the Charity Commission in 1973 under charity number 307325. The Charity was incorporated under company number 1091930 on 23 January 1973.

Registered office

Durlston Court School, Becton Lane, Barton-on-Sea, New Milton, Hampshire, BH25 7AQ.

Governors

The Governors who have served during the period, to the date of this report were as follows:

Mr C C Ashfield (Chairman)
Mrs A Bolam
Mr M G Cooke
Mr P Etheridge
Mr P Hardy
Dr J Hickey
Mrs N James
Mr C G Lewis (Deputy Chairman)
Mrs L Otten – elected 9th March 2020
Mr R Porter
Mr R Wilsher

Senior officers

Mr R P May (Headmaster)
Mr A R Thomas (Bursar and Clerk to the Governors)

Bankers

Barclays Bank plc, Barclays House, Ocean Way, Southampton, SO14 2ZP

Auditors

Saffery Champness LLP, Midland House, 2 Poole Road, Bournemouth, Dorset, BH12 5QY

Solicitors

Wilsons, Alexandra House, St Johns Street, Salisbury, Wiltshire, SP1 2SB

Surveyors

Cluttons, Portman House, 2 Portman Street, London, W1H 6DU

Internet website address: www.durlstoncourt.co.uk

Structure, Governance and Management

The Charity's Governing Document is its Memorandum and Articles of Association, dated 23 January 1973 (and last amended 7 November 2006). It is a company limited by guarantee, having no share capital, and its members undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up.

The Governors are the Charity's trustees and directors and are also collectively referred to in this report as the Governing Body. The number of Governors must not be less than seven or more than thirty. New Governors are appointed by the Governing Body, after careful consideration of eligibility, skills and experience. Suitable candidates may be identified through internal recommendation or external search. New Governors become familiar with the constitution and operation of the Charity through a structured range of induction initiatives. The Charity is a member of AGBIS which provides access to training opportunities for Governors.

The Governors are responsible for the overall management of the Charity which includes determining strategy, establishing key policies, setting aims and objectives, agreeing budgets and longer term plans, reviewing actual performance against objectives and ensuring compliance with relevant statutes and regulations. The Governing Body meets at least three times each year and is supported by four Committees, each of which is chaired by a Governor, covering Finance & General Purposes, Education, Marketing and Risk Management.

The day-to-day management and related decisions, within the policies and parameters determined by the Governors, are delegated to the Headmaster and Bursar who attend the meetings of the Governors and the Committees.

Objectives and Activities

The principal objects for which the Charity was established, as set out in its Governing Document, are to promote and provide for the advancement of education, through the operation of a school or schools.

The principal activity of the Charity is the operation of Durlston Court School, an independent, co-educational preparatory school. Pupils are aged between two and thirteen years.

The principal aim of the school is to provide a happy, secure environment where pupils benefit from an education of the highest quality, to prepare pupils academically, culturally and morally to enable them to progress confidently to the next stage of their education.

The main objectives for the year ended 31 August 2020 related to the quality of the education provided, the award of scholarships and means-tested bursaries, the Charity's involvement with the local community and the Charity's financial position.

The Governors seek to achieve these objectives primarily through effective leadership, a clear commitment to the highest standards of education, service, and financial control.

Strategic Report

Achievements and Performance

During the year under review the Charity achieved its main objectives through effective leadership, a clear commitment to high standards, and strong fiscal control. An inspection by the Independent Schools Inspectorate (ISI), which took place in May 2017 rated the school's provision as 'Excellent' in all areas.

The year was particularly challenging due to the impact of the Covid 19 pandemic, and the mandatory lockdown during most of the Summer Term. However, the school continued to deliver a high quality

education for its pupils, with the main factors affecting the Charity's continued ability to achieve its objectives being the maintenance of high standards of education and service, attracting and retaining pupils, the effectiveness of management and financial control. The key factors outside the Charity's control that influence its ability to achieve its objectives are the ongoing Covid 19 pandemic, uncertainty of the economic conditions, local competition, new legislation and demographic change.

Academic standards

Durlston Court pupils continue to achieve great academic success. Year 8 leavers secured places at a number of prestigious senior schools throughout the country, including Bradfield, Canford, Dauntsey's, Downe House, Marlborough, Millfield and King Edward VI, as well as other local independent schools. A large number of different scholarships were awarded to Durlston pupils by these schools: academic, dramatic, sporting and artistic; all testament to the superb all round education and the extraordinarily high standard of teaching the pupils enjoy at Durlston Court.

Improvements to the site and facilities

Over the last few years, the school has substantially improved facilities for the benefit of pupils, staff and parents, with a new Design and Technology facility, the conversion of ground floor accommodation within the main school building to create the 'Drawing Room', a hospitality area which has enhanced the already strong family feel of the school and a new Ceramics Studio for pottery and other hand crafts.

In 2019-20 significant upgrades and refurbishment continued throughout the school. This included upgrades to the Pre-Prep building and external play equipment, and a new minibus was purchased as part of the regular process of maintaining and upgrading the fleet. Investments were also made in catering and ground equipment. Repairs to the School were undertaken in line with the ongoing Maintenance Programme, with additional expenditure required to support effective operation of the school during the Covid 19 pandemic, supporting compliance with relevant operating regulations. Further investment was made to the IT infrastructure - including the continued rollout of Chromebooks for the Google Classroom initiative. This investment in recent years proved invaluable when pupils were required to be taught remotely at home during the Covid lockdown. Total capital expenditure in the year amounted to £68,815.

Pupil numbers

Pupil numbers of 271 in July 2020 (267 in July 2019) were in line with objectives.

Bursaries and scholarships

Scholarships were awarded in recognition of academic, sporting or musical excellence. Means-tested bursaries are awarded in appropriate circumstances. In 2020, a new Transformational Bursary was introduced offering the opportunity for a local child to attend Durlston Court at a substantially reduced fee level. During the year, all eligible requests for means-tested bursarial assistance were met by the Charity.

Involvement with the local community

The school has been hugely supportive of the community in the past year. The Charity has regularly provided minibuses and drivers to local primary schools, to enable their pupils to go on educational trips and visits, plus attend Durlston hosted activities. In addition, 55 local primary school children attended a football tournament in the Autumn, and the 'Teddy Bears' Picnic, using Durlston's Forest School and specialist staff, was hosted and attended by 30 local pre-school families. The school also hosted music sessions 'Bing Bang Bong' for 15 local pre-schoolers, a community pottery event for 8 local adults and a carol service for the local Rotary Club.

Over the last 18 months, the school has focused on expanding its provision of activities during school holidays for both Durlston Court pupils and other local children. This not only provides the opportunity for children to benefit from the use of Durlston Court's extensive facilities from a full program of activities, but also supports the childcare needs of parents in the holidays, particularly if they are working.

Financial objectives

Net outgoing resources of £45,489 for the year were in line with expectations, with a positive net current asset position of £123,827.

Financial Review

The financial results for the year are presented in the Statement of Financial Activities on page 15.

Net outgoing resources have been applied to financing the Capital Development and Maintenance Programme and mortgage repayments. Net school fees amounting to £2,408,872 represented 81.2% of total income, and the operating costs of the school of £2,850,688 represented 94.6% of total expenditure.

Reserves Policy

The aim is to ensure that unrestricted reserves should be sufficient to avoid the necessity of realising fixed assets held for the Charity's use and to ensure that net current assets are equivalent to at least 10% of the average annual expenditure (less depreciation) of the previous two years. It continues to be a priority of the Governors to maintain current assets at least equal to current liabilities and reserves at the desired level. The level of reserves is reviewed by the Governors annually, and following the substantial increase in Teachers Pension Costs in 2019/20 impacting outgoing resources, the School decided to leave the scheme on 31st August 2020 and start a new defined contribution scheme which will help reduce pension costs and therefore support reserves.

In December 2004 the freehold of the estate previously leased by the Charity, was acquired. The associated financing costs and the need for investment in previously rented buildings and grounds, continues to impact on the Charity's ability to build reserves in the short term. However, in the long term the Governors believe that substantial benefits will continue to accrue to the Charity from owning the site.

Remuneration Policy

The key management personnel of the school are the Senior Leadership Team, consisting of the Headmaster, Deputy Head, Director of Learning and Head of PrePrep, Head of Senior School and Bursar. The remuneration of the Head and Bursar are set by the Remuneration Committee consisting of the Chair and Vice Chair of Governors.

Plans for Future Periods

The Charity has a 5 Year Plan which sets out the key strategic objectives for the period to 31 August 2025. The Governors have set these objectives with regard to the Charity Commission guidance on public benefit. The key elements of the Charity's strategy are the continued provision of a high standard of all-round education, financial security and the maximisation of the public benefit provided by the Charity.

The Charity's Capital Development Plan sets out expenditure on key facilities during this 5-year period, with priorities being re-assessed on an ongoing basis. With support from a local architect and a building consultant in 2014-15, the school prepared a site masterplan for the optimisation of school grounds and buildings. In line with this masterplan, there have been many improvements to the school site over the last few years including the construction of a new Design and Technology facility, the building of a lobby and garden patio area for Art, the creation of a dedicated Ceramics Studio, the installation of two new all-weather sports courts, enhancements to the Swimming Pool area, improved parking arrangements for staff and parents, conversion of main school accommodation for teaching and hospitality, and enlarged playground space for pupils. Further expansion and investment in facilities is being considered as part of this site optimisation initiative.

Principal Risks and Uncertainties:

The role of the Risk Management Committee is to identify, assess and prioritise the major risks to which the Charity is exposed, and to ensure that these are appropriately managed. Risk Management

information is reviewed at each meeting of the Governing Body, with risks being assessed based on how likely a risk is to occur, and the impact on the school if it were to occur. The major risks identified being the impact of the Covid pandemic, economic climate uncertainty, changes to the regulatory, legislative and inspection regime, site and network security, ongoing local competition and incidents involving pupils and/or staff. To mitigate these risks, among other actions, the Governors ensure sufficient financial reserves are maintained, develop and implement an effective marketing plan, seek external legal and regulatory advice, and ensure appropriate risk assessments are in place.

Public Benefit Statement

In considering its future strategy, aims and objectives, the Governors have given due regard to the Charity Commission's guidance on Public Benefit in accordance with Section 4 of the Charities Act 2011.

Statement of Governors' responsibilities for the financial statements

The Governors (who are also directors of Durlston Court School Trust Limited for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

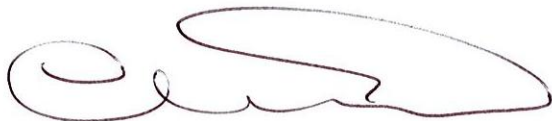
- so far as each Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Auditors

Saffery Champness LLP, who were appointed in 2013, have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE GOVERNING BODY, ALSO APPROVING THE STRATEGIC REPORT
IN THEIR CAPACITY AS DIRECTORS

A handwritten signature in black ink, appearing to read 'C C Ashfield', written in a cursive style.

C C Ashfield - Chairman of Governors
24th November 2020

Independent auditor's report to the members of Durlston Court School Trust Limited

Opinion

We have audited the financial statements of Durlston Court School Trust Limited for the year ended 31 August 2020 which comprise a statement of financial activities, balance sheet, cash flow statement 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 charitable company's state of affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Independent auditor's report to the members of Durlston Court School Trust Limited

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report have 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 Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also 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 to do so.

Independent auditor's report to the members of Durlston Court School Trust Limited

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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.

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 auditors' 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.



Nicholas Fernyhough (Senior Statutory Auditor)
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Midland House
Statutory Auditors
2 Poole Road
Bournemouth
BH2 5QY

November 2020

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Basis of preparation

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (“SORP (FRS102)”) and Financial Reporting Standard 102. The accounts are drawn up on the historical cost basis of accounting. The School is a Public Benefit Entity as defined by FRS102.

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, the Governors 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.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, Bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from bank balances and savings accounts are accounted for on an accruals basis.

1.3 Donations and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School’s general purposes is accounted for as unrestricted and is credited to the General Reserve.

1.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

1.5 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £250 are capitalised and carried in the balance sheet at historical cost. ICT equipment costs are written off as incurred. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

1.6 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

- School buildings, including major extensions 40 - 50 years
- Alterations on change of use and minor extensions 10 - 25 years
- Furniture, machinery and equipment 5 years
- Motor vehicles 5 years

No depreciation is provided on freehold land. Periodic impairment reviews are carried out.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.8 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

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.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

1.9 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.
- (b) The Peoples Pension - Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.
- (c) Pensions Trust Scheme - The costs relating to this scheme are outlined in note 17

1.10 Debtors

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

1.11 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity 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 trade discounts due.

1.13 Financial instruments

The trust 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Statement of financial activities

		Unrestricted Funds	
	Note	2020 £	2019 £
Incoming resources			
Incoming resources from charitable activities	1	2,522,838	2,935,312
Government Furlough Grant		405,588	-
Incoming resources from generated funds:			
Voluntary income	2	21,025	6,072
Investment income	3	10,188	2,589
Other incoming resources		8,649	11,493
Total incoming resources		<u>2,968,288</u>	<u>2,955,466</u>
Resources expended			
Costs of generating funds		107,781	107,804
Charitable activities		2,850,688	2,858,178
Other resources expended	4	55,077	59,760
Total resources expended	5	<u>3,013,546</u>	<u>3,025,742</u>
Net (Expenditure)		(45,258)	(70,276)
Actuarial (Loss)/Gain on Defined Benefit Pension Schemes		(231)	19,745
Movements in funds		(45,489)	(50,531)
Total funds brought forward at 1 September 2019		2,502,624	2,553,155
Total funds carried forward at 31 August 2020		<u>2,457,135</u>	<u>2,502,624</u>


All amounts derive from continuing activities.


The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

Company number 1091930	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	8		3,418,848		3,475,534
Current assets					
Stocks	9	1,242		2,578	
Debtors	10	239,942		135,050	
Cash at bank and in hand		345,034		618,149	
		<u>586,218</u>		<u>755,777</u>	
Liabilities					
Creditors: amounts falling due within one year	11	(462,391)		(539,979)	
Net current assets			<u>123,827</u>		<u>215,798</u>
Total assets less current liabilities			<u>3,542,675</u>		<u>3,691,332</u>
Creditors: amounts falling due after more than one year	12		(1,063,104)		(1,163,352)
Provision for Pension	17		(22,436)		(25,356)
Net assets			<u><u>2,457,135</u></u>		<u><u>2,502,624</u></u>
Total charity funds:					
Unrestricted income funds			<u><u>2,457,135</u></u>		<u><u>2,502,624</u></u>

The financial statements were approved by the Governors on 24th November 2020


 Mr C C Ashfield Chairman of Governors


 Mr C G Lewis Chairman of Finance and General Purposes Committee

Cash flow statement

	Note	2020 £	2020 £	2019 £	2019 £
Net cash (outflow) / inflow from operating activities	18		(63,597)		192,734
Returns on investments and servicing of finance					
Interest received		10,188		2,589	
Interest paid		(55,077)		(58,839)	
			(44,889)		(57,171)
Capital expenditure					
Payments to acquire tangible fixed assets			(68,815)		(45,198)
Financing					
Bank loan repayments			(95,814)		(91,720)
Decrease in cash in year	19		(273,115)		(434)

Notes to the financial statements

1 Incoming resources from charitable activities

	2020	2019
	£	£
School fees and associated income:		
Fees receivable	3,348,081	3,280,081
<u>Less: Summer term 2020 Covid fee adjustment</u>	(382,875)	-
<u>Less: Bursaries, scholarships and other discounts</u>	(556,334)	(503,349)
Net fees receivable	<u>2,408,872</u>	<u>2,776,732</u>
Disbursements	87,245	135,832
Extra tuition	23,571	20,612
Entrance fees	3,150	2,136
	<u>2,522,838</u>	<u>2,935,312</u>

2 Voluntary income

	2020	2019
	£	£
Voluntary income		
Donations	<u>21,025</u>	<u>6,072</u>

During the year donations for the purchase of fixed assets amounted to £18,500 (2019: £1,547)

3 Investment income

	2020	2019
	£	£
Investment income		
Bank deposit interest	<u>10,188</u>	<u>2,589</u>

4 Other resources expended

	2020	2019
	£	£
Other resources expended		
Interest payable on bank loan <i>see also note 12</i>	54,844	58,839
Other interest costs	233	921
	<u>55,077</u>	<u>59,760</u>

5 Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	2020 Total £	2019 Total £
Costs of generating funds					
Advertising and publicity	57,888	49,893	-	107,781	107,804
Charitable activities					
School operating costs:					
Teaching and support costs	1,896,517	101,652	-	1,998,169	1,979,336
Catering and support costs	100,191	59,216	-	159,407	172,562
Premises	145,951	164,606	83,362	393,919	398,970
Support and administration	149,939	97,370	42,139	289,448	298,252
Governance costs	-	9,745	-	9,745	9,058
	2,292,598	432,589	125,501	2,850,688	2,858,178
Other resources expended					
Interest payable on bank loan	-	54,844	-	54,844	58,839
Other interest costs	-	233	-	233	921
	-	55,077	-	55,077	59,760
	2,350,486	537,559	125,501	3,013,546	3,025,742

Total resources expended include:

	2020 £	2019 £
Auditors' remuneration for audit services <i>excluding VAT</i>	6,850	6,750
(Decrease)/Increase in Stock	(1,336)	353
Operating lease rentals	7,006	5,603
Professional Indemnity insurance premium	664	651

6 Employees

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,924,244	1,921,683
Social security costs	162,680	162,473
Other pension costs (note 17)	263,562	190,687
	2,350,486	2,274,843

The average number of employees of the Charity during the year was 97 (2019: 99). The average number of full time equivalent employees was 66 (2019: 66)

One employee's emoluments were within the range £90,000 - £100,000 (2019: one employee within the range £90,000-£100,000). The total of key management personnel compensation was £356,033 (2019: £340,294)

Contributions were made to a defined benefits pension scheme in respect of the highest paid employee.

7 Transactions with governors and other related parties

No Governors, received remuneration in the year, directly or indirectly from the Charity. In 2020, the total amount of donations received without conditions from Governors was nil (2019: nil). In 2020 expenses paid on behalf of governors to third parties amounted to £405 (2019: £946) of this expenditure, £405 related to travel. The total number of governors who incurred expenses was 1 (2019:3)

8 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2019	4,601,570	97,307	558,147	335,176	5,592,200
Disposals	-	(2,080)	(105,278)	(73,788)	(181,146)
Additions	40,800	8,500	6,101	13,414	68,815
At 31 August 2020	<u>4,642,370</u>	<u>103,727</u>	<u>458,970</u>	<u>274,802</u>	<u>5,479,869</u>
Depreciation					
At 1 September 2019	1,231,738	87,064	520,416	277,448	2,116,666
Disposals	-	(2,080)	(105,278)	(73,788)	(181,146)
Provided in the year	83,362	5,261	14,605	22,273	125,501
At 31 August 2020	<u>1,315,100</u>	<u>90,245</u>	<u>429,743</u>	<u>225,933</u>	<u>2,061,021</u>
Net book amount At 31 August 2020	<u>3,327,270</u>	<u>13,482</u>	<u>29,227</u>	<u>48,869</u>	<u>3,418,848</u>
Net book amount At 31 August 2019	<u>3,369,832</u>	<u>10,243</u>	<u>37,731</u>	<u>57,728</u>	<u>3,475,534</u>

9 Stocks

	2020 £	2019 £
Catering provisions, merchandise and heating fuel	<u>1,242</u>	<u>2,578</u>

10 Debtors

	2020 £	2019 £
Trade debtors	42,317	25,632
Other debtors	144,280	-
Prepayments and accrued income	53,345	109,418
	<u>239,942</u>	<u>135,050</u>

11 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans	100,248	95,814
Trade creditors	45,245	51,108
Social security and other taxes	36,914	39,436
Other creditors	30,483	24,872
Accruals and deferred income	249,501	328,749
	<u>462,391</u>	<u>539,979</u>

12 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Between one and two years	104,897	100,248
Between two and five years	344,634	329,292
After five years	613,573	733,812
	<u>1,063,104</u>	<u>1,163,352</u>

Creditors: amounts falling due after more than one year comprises a bank loan secured over the freehold property which is repayable by December 2029. The original fixed rate agreement for this loan expired in December 2015, to be replaced by a new fixed rate agreement which expires in December 2024.

13 Liability of members

The Charity does not have any share capital. The members, consisting of the Governors who are also directors, undertake to contribute an amount not exceeding £1 each in the event of the Charity being wound up. The Charity has insurance to cover both Professional Indemnity and Governors' Liability. The cover is limited to £1,000,000 (2019: £1,000,000).

14 Leasing commitments

Operating lease payments amounting to £6,402 (2019: £5,603) are due within one year. At 31 August 2020, the charity had aggregate total commitments under non-cancellable operating leases as set out below:

Non-cancellable operating leases which expire:	2020	2019
	£	£
Within 2 to 5 years	<u>12,600</u>	<u>8,405</u>

15 Capital commitments

There were no capital commitments at 31 August 2020 or 31 August 2019.

16 Contingent liabilities

There were no contingent liabilities at 31 August 2020 or 31 August 2019.

17 Pensions

Teachers Pensions

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £241,593 (2019: £175,154), an increase of over £60,000 driven by the contribution changes outlined below.

On 10 March 2015, the Department of Education published the outcome of the consultation on further contributions increases that applied to members of the TPS in financial year 2016-15. A revised eight tier employee contribution rate structure was introduced from 1 April 2015 with employee rates varying between 6.4% and 12.4%. Employer contributions will continue for this period at the current rate of 14.1%. From 1 April 2016 the employee rates have been increased varying from 7.4% to 11.7% and the employer contributions have increased to 16.48%.

On 21 September 2018, the Department of Education published that from 1 September 2019, the employer contribution rate would change. The Government determined that the employer rate would increase to 23.68% of contributory pay (which includes the administration levy of 0.08%) from 16.48%.

The impact of this increase in employer contributions in 2019/20 was over £60,000 versus the prior year costs, and as a result, following extensive consultation with affected participating teaching staff, the School decided to leave the Teachers' Pension Scheme on 31st August 2020 and started a new defined contribution scheme on 1st September 2020.

Other Pension Schemes

Pension contributions are also paid to contributory and non-contributory pension schemes for the benefit of non-teaching staff. Non-teaching staff may contribute to one of two money purchase pension schemes. The assets of these schemes are held separately from those of the school in independently administered funds.

The company participates in a multi-employer scheme which provides benefits to some 102 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at with an effective date of 30 September 2017. This actuarial valuation was certified on 19 December 2018 and showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 Sept 2026: £1,404,638 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2019 to 30 Sept. 2027: £136,701 per annum (payable monthly and increasing by 3% each on 1st April)

The contributions to 30 September 2027 are in respect of those employers that have agreed concessions (both past and present) with the Trustee.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014; this valuation showed assets of £88.2m, liabilities of £122.1m and a deficit of £33.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2016 to 30 Sept 2029: £1,323,116 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 Sept. 2031: £292,376 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 Sept. 2031: £37,475 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

Present values of Provision

	2020	2019	2018
	£	£	£
Present value of provision	22,436	25,356	47,947

Reconciliation of opening and closing provisions

	2020	2019
	£	£
Provision at start of period	25,356	47,947
Unwinding of the discount factor (interest expense)	233	921
Deficit contribution paid	(3,384)	(3,767)
Remeasurements - impact of any change in assumptions	231	883
Remeasurements - amendments to the contribution schedule	-	(20,628)
Provision at end of period	22,436	25,356

Income and expenditure impact

	2020	2019
	£	£
Interest expense	233	921
Remeasurements – impact of any change in assumptions	231	883
Remeasurements – amendments to the contribution schedule	-	(20,628)

Assumptions

	2020	2019	2018
	% per annum	% per annum	% per annum
Rate of discount	0.65	0.99	2.00

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

In August 2016, the school started its auto-enrolment pension scheme with The Peoples Pension for the benefit of all non-teaching staff and going forwards this will be the only pension scheme offered.

All pension contribution costs are recognised in the statement of financial activities as they become payable. Amounts owing to pension schemes as at the year-end amounted to £30,484 (2019: £24,828).

18 Reconciliation of net incoming resources to net cash inflow from operating activities

	2020	2019
	£	£
Net (Outgoing) resources	(45,489)	(50,531)
Net interest	44,889	56,250
Depreciation	125,501	136,331
Decrease / (Increase) in stock	1,336	(353)
(Increase) / Decrease in debtors	(104,892)	2,438
(Decrease) / Increase in creditors	(82,022)	71,190
(Decrease) in provision for pension	(2,920)	(22,591)
Net cash (outflow) / inflow from operating activities	<u>(63,597)</u>	<u>192,734</u>

19 Reconciliation of net cash flow to movement in net debt

	2020	2019
	£	£
Decrease in cash	(273,115)	(434)
Bank loan repayments	95,814	91,720
Decrease in net debt	(177,301)	91,286
Net debt at 1 September 2019	(641,017)	(732,303)
Net debt at 31 August 2020	<u>(818,318)</u>	<u>(641,017)</u>

20 Analysis of changes in net debt

	At 31 Aug 2020 £	Cash flow £	At 1 Sep 2019 £
Cash at bank and in hand	345,034	(273,115)	618,149
Bank loan	(1,163,352)	95,814	(1,259,166)
	<u>(818,318)</u>	<u>(177,301)</u>	<u>(641,017)</u>

