DRAGON SCHOOL TRUST LIMITED

England & Wales · Charity number 309676

Details

Other names	DRAGON SCHOOL
Status	Registered
Legal form	Charitable company
Company number	00524331
Registered	1964-01-02
Register	View on the Charity Commission register

Contact

Address	Dragon School Bardwell Road Oxford OX2 6SS
Phone	01865315403
Email	bursar@dragonschool.org
Website	www.dragonschool.org

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC BY ACQUIRING AND CARRYING ON IN THE UNITED KINGDOM AND ELSEWHERE ANY SCHOOL OR SCHOOLS FOR THE EDUCATION OF CHILDREN AND YOUNG ADULTS AND BY ANCILLARY OR INCIDENTAL EDUCATIONAL ACTIVITIES AND OTHER ASSOCIATED ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY.

Activities: The primary object is to advance the education of the public by running schools, in particular the Dragon preparatory school and its pre-prep department Lynams.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

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Geography

- Oxfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£25,471,000	£23,101,000	£41,855,000	326
2024-08-31	£25,038,000	£22,926,000	£39,573,000	319
2023-08-31	£21,529,000	£20,427,000	£36,861,000	315
2022-08-31	£20,938,000	£19,344,000	£35,695,000	318
2021-08-31	£17,888,000	£17,523,000	£33,716,000	332
2020-08-31	£17,687,000	£16,535,000	£32,552,000	368

Trustees

Name	Role	Appointed
CHARLES ALAN HEATHCOTE ALEXANDER		2021-01-14
CHRISTOPHER IAN MONTAGUE JONES		2003-11-15
David Goatman		2022-02-19
Dominic Alexander Rosso		2026-03-03
Harriet Gurprashad		2021-09-01
Ian Van Every		2022-05-20
Jack Cemlyn Edmondson		2019-03-09
NATHAN MILLARD		2010-03-15
NIGEL LESLIE HELLIWELL		2017-12-02
NIGEL PORTWOOD		2015-01-01
Penelope Cameron Watt		2024-03-16
Raoul Rambaut		2022-05-20
William GOLDSMITH		2024-10-18

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DRAGON SCHOOL TRUST LIMITED

England & Wales - Charity number 309676

Accounts



DRAGON SCHOOL TRUST LIMITED

GROUP ACCOUNTS FOR THE YEAR ENDED

31 AUGUST 2025

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Company number: 524331

Registered charity number: 3096

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2025:
SUMMARY REVIEW BY CHAIR AND GOVERNORS AND HEAD

After 6 years of excellent service as Chair of Governors, Andrew Webb stood down as Chair in May 2025. He has been replaced by Penny Cameron Watt. Penny is a former parent at the Dragon who brings with her extensive experience of governance at independent schools.

Skipper's, our music and performing art centre, is proving to be a most important addition to the School's offering, extending hugely the opportunities across all areas of music and performing arts available to our pupils. Equally as important, the social impact benefits to our partnerships is incredible, providing pupils from a range of schools with opportunities that would otherwise be out of reach. The magic of children from all schools performing together on stage or in the classroom is truly inspiring. The drama department has never been so strong with notable performances including the Tempest, Beauty and the Beast and The Kid Who Fell Back Into A Story; a Dragon School original production.

Alongside this recognition, it's important to note that the Dragon is much more than a centre of excellence for music and the performing arts. We place equal importance on every aspect of our curriculum and this is borne out by the amazingly impressive achievements of our leavers in securing record numbers of scholarships and awards to their senior schools.

But of course, the year has not been without its challenges, with the Dragon, alongside every other independent school, needing to face into the headwinds created by the 2024 Autumn Budget and the introduction of VAT in January 2025. The Dragon is fortunate to have the strength and resilience to adapt to these challenges. Cost control is a key focus for the School, together with ensuring we successfully maintain a strong pupil roll.

We have also recognised the critical role that alternative revenue streams held for the School's operations. To that end, we took steps to more formally integrate enterprise activities into the School's operating model. This was enabled by the addition of a Commercial manager to the School's establishment. Regular offerings such as Summer Boarding Course, Ultimate Activity Camp and Premier Tennis remained popular, while we are investigating the exciting potential offered by Skipper's to provide a professional grade recording facility. More broadly, the School announced its intent to expand internationally and conversations are now being held with potential partners and investors in key regions of interest.

Boarding at the Dragon continues to go from strength to strength with the School proud to have the largest prep age boarding community in the country. The home from home model, supported by extensive residential and pastoral staffing support, means that the exceptional nurturing environment on offer at the Dragon is truly unique.

As we approach our 150th anniversary in 2027, Dragon School is able to look to the future with much optimism. To that end, we are delighted to share our strategy, 2027 and Beyond.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2025:
GOVERNORS, ORGANISATIONAL STRUCTURE, OFFICERS AND ADVISORS

Dragon School Trust Limited ("Dragon School" or "Trust") is a company registered under the Companies Act 2006 and a registered charity. It is a company limited by guarantee; the liability of members of the company is limited to £1 each. The Governors of Dragon School are trustees of the charity, and directors and members of the company. Those serving during the year are as follows:

C Alexander	F T	
J C Edmondson	F T *	
Dr H R Gurprashad	S&MH *	
D C Goatman	F R&C *	
N L Helliwell	E M&A	
C I M Jones	F G Int +°	
N Millard	G S&MH	
N D Portwood	Int °	
R C W Rambaut	R&C +°	
I A Van Every	M&A R&C SI *	
W A Webb	F G °	(resigned 21st June 2025)
M Witherick	SI G Int *	(resigned 28th August 2025)
P Cameron Watt	F G Int °	
W Goldsmith	E	

Committee memberships and other groups (as at the end of year):

E	Education Committee
F	Finance Committee
G	Governance Committee
SI	Social Impact Committee
M&A	Marketing & Admissions Committee
R&C	Risk & Compliance Committee
S&MH	Safeguarding & Mental Health Committee
Int	International Committee
T	Dragon School Trading Ltd
+	Old Dragon
*	Current parent
°	Former parent

Board and Committees

The Board of Governors is a self-appointing body. Governors hold office for six years, whereupon they may be reappointed. Governors normally retire at the age of 70. There may be no more than 20 and no fewer than seven Governors. All committees and groups report to the main Board. The Board and other committees and groups routinely meet three times a year and at other times as necessary.

The Education Committee is the forum for all educational purposes and decision making in which Governors and staff participate equally.

The Social Impact Committee ensures the implementation of the School's SI strategy and programme. It is also responsible for approving all applications for means tested awards and grants on behalf of the Full Governing Body.

The Finance Committee has specific responsibility for the School's finances and financial strategy.

The Risk & Compliance Committee is the custodian of the School's risk strategy and management matrix. It is also the primary committee to consider the School's compliance obligations.

The Governance Committee, previously Nominations and Remuneration Committee, is tasked with reviewing the membership of the Governing Body, recommending new Governors for GB approval, and for reviewing the performance and remuneration of Head and Chief Operating Officer, reporting via the Chair to the Board of Governors.

The Safeguarding and Mental Health Committee ensures Board-level review and responsibility for all safeguarding, mental health and pastoral matters; its remit also includes boarding.

The Marketing and Admissions Committee is responsible for setting and ensuring a coherent approach to the School's pupil recruitment strategy.

The International Committee comprises governors who are also directors of the newly formed Dragon School International Ltd. This group is responsible for the School's considerations relating to overseas expansion.

Advisors

The Trust appoints professional advisors to deal with specialist matters from time to time. All contracts are subject to periodic review as circumstances merit.

Architects:	TSH Architects	Oxford
Auditors:	Crowe U.K LLP	Cheltenham
Bankers:	Barclays Bank	Oxford
	Natwest Bank	Oxford
	Coutts & Co	London
Insurance brokers:	Marsh Brokers	Haywards Heath, West Sussex
Pension advisors:	Succession Wealth	Aylesbury, Buckinghamshire
Solicitors:	VealeWasboroughVizards	Bristol
Surveyors:	Ingleton Wood	Oxford

Registered office and address for correspondence:

Dragon School
Bardwell Road
Oxford
OX2 6SS

Web-site: www.dragonschool.org
e-mail contact: coo.office@dragonschool.org

The Head is Emma Goldsmith.

The Chief Operating Officer and Company Secretary is Martin Johnson.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2025:
GOVERNORS' ANNUAL REPORT

The Governors present their annual report and audited accounts for the year ended 31 August 2025 in compliance with current statutory requirements for companies and charities and the company's Memorandum and Articles of Association. This report, together with the preceding pages, incorporates the information required for the directors' report and strategic report under the Companies Act. Comparative figures in the accounts are for the year ended 31 August 2024.

REFERENCE AND ADMINISTRATIVE INFORMATION

Dragon School was founded in 1877. It was incorporated in 1953 as a company limited by guarantee and registered at Companies House, number 524331. It is registered with the Charity Commission under charity number 309676. The Governors, principal executive officers and advisers, together with contact details for the School, are given on pages ii to iv.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Dragon School is governed by its Memorandum and Articles of Association dating from 1953 and last amended in November 2008.

Governing Body

Overall responsibility for Dragon School rests with the Governors, who are listed on page ii together with information regarding their tenure and committee membership.

Recruitment and training of Governors

New Governors are appointed at a meeting of the Board on the basis of recommendations made by the Governance Committee (GC). Recommendations are made following an interview process with members of the GC and on the basis of the requirements of the Board in terms of skills and expertise.

New Governors receive an introduction and induction led by the Chief Operating Officer on behalf of the Chair of Governors. This covers a range of information including general governance matters, together with more detailed discussions of strategic priorities and finances. Further opportunities to attend appropriate seminars and training events are offered when they occur.

Organisation and management

The Governors, as the Trustees of the Charity, are legally responsible for the overall management and control of the School. The Board of Governors meets at least once a term, receiving reports from committees which meet with similar frequency.

The day to day running of the School is delegated to the Head and Chief Operating Officer, supported by the Senior Leadership Team and staff. Generally, the Head and Chief Operating Officer attend all Governors' and Committee meetings, except those of the Governance Committee and when restricted business is discussed.

Key Management

Key management personnel are defined as the Head, Chief Operating Officer, Head of Pre-Prep and the Deputy Heads.

Remuneration

Remuneration is set by the Governing Body with the overall objective of ensuring appropriate recognition and incentive to encourage exceptional performance. Remuneration must be fair and responsible, and the appropriateness of the School's remuneration is reviewed periodically; this includes benchmarking with other schools in both independent and maintained sectors. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to develop and grow.

Group structure and relationships

Dragon School has a wholly owned trading company, Dragon School Trading Limited (company number 1379919), which is used to generate income for the School through the hire of facilities, the sale of Dragon-related souvenirs and second-hand clothing. All residual profits are paid to the Trust under gift aid.

Dragon School International Ltd (company number 15782163) was incorporated on the 16th June 2024 and is a wholly owned subsidiary of the Dragon School Trust. Dragon School International Ltd's objects are to expand the Dragon School's provision of education to children and young adults internationally. This company was dormant for the period ending the 31st August 2025.

Dragon School continues to have a relationship with 'The Dragon Christmas Charity Sale' (1106073), which raises money for charities helping children and families. The School provides support in the form of staff time to these charities but, as the School does not control this charity, its activities and financial results are not included within these reports and accounts, except to the extent that it has donated to the School.

The School actively supports the independent schools' sector. It contributes to the furtherance of educational standards and the quality of pastoral care through participation in, and subscription to, umbrella organisations such as IAPS and BSA, and through exam setting and curriculum review processes. The School has also developed links with a number of schools and charities overseas both through regular contacts and as opportunity and need arise.

The School continues to promote the use of its facilities at a discounted rate or, where appropriate, gratis, for wider public benefit. This includes the use of playing fields, astro-pitches, classrooms and music and performing arts facilities, including Skipper's and Lynam Hall, by local schools and other community groups and charities and, in particular, those involved in educational or child-related activities.

CHARITABLE OBJECTS, AIMS AND OBJECTIVES

Charitable objects

Dragon School's charitable objects are set out in the Memorandum and Articles of Association. The primary object is to advance the education of the public by acquiring and carrying on any school or schools for the education of children and young adults and by ancillary or incidental educational activities and other associated activities for the benefit of the community. In pursuit of these objects the School operates the Dragon Prep School at Bardwell Road for boys and girls from 8 to 13 years old and the School's Pre-Prep, Dragon Pre-Prep, at a separate site on the Woodstock Road. Dragon Pre-Prep takes boys and girls from the age of 4.

In setting the School's objectives, and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit as updated in September 2013. The School's commitment to providing financial support to pupils whose parents could not otherwise afford to consider a Dragon education predates the 2006 Charities Act and subsequent guidance from the Charities Commission. The pursuit of wider access to the School is held to be of benefit to all Dragon pupils. To support with these goals, the School manages a number of restricted funds to be used in connection with the development of the School's facilities, and the provision of Bursaries and other educational purposes.

Dragon School's Aim

Dragon School's aim is to inspire, encourage and develop free-thinking, confident young people who reach for the sun.

In meeting this aim, the Dragon intends to provide a wide-ranging educational experience for all children, stretching all to the best of their respective abilities in academic, artistic, sporting, cultural and social activities. Although excellence is achieved by pupils in many fields, particularly academic, the School is most proud of its liberal ethos, the inclusivity of its educational provision and its pastoral care for all. In addition, the School aims to play a full and effective part in its local community.

Objectives for the year

The Dragon's primary objective this year was to continue to provide the best possible education and care for each and every pupil, ensuring that those leaving for other schools achieve the places desired. In addition, the School has sought to widen access and increase its social impact.

Strategies used to achieve the year's objectives

The School continues formal self-reviews of all areas of operation so as to improve methods and procedures, particularly of teaching and pastoral care, but additionally in the process of monitoring and assessing its own procedures. Specialist external reviews are also sought when deemed

valuable. Specific coaching was provided to leavers tailored to the schools of their choice, and the pupils' abilities, to ensure their applications were successful.

The school monitors several key performance indicators throughout the year to assess performance against objectives, including, but not limited to, monitoring success in reaching first choice school, average set size, number of extra-curricular music and drama lessons taken, academic and other awards achieved and results achieved at CE, including number of high performing results.

POLICIES

Grant making

The School is particularly sensitive about the costs associated with delivering first class education, and seeks to extend its facilities as far as possible to those who might not otherwise be able to afford such an education. In particular, it continues to carry out specific fund-raising to enable means-tested Bursaries to be awarded, in appropriate circumstances, which cover all or nearly all of the fees. Currently the School provides up to 25 Bursary places at up to 100% grant under its '125th anniversary' scheme. Other awards are made with respect to short-term hardship arising from significant life-changes.

In general, grants are made from the Bursaries, general and other specific funds to provide financial help with the fees. Where significant financial help may be required, the School consider all circumstances involved in a grant application. This might include, where appropriate, means testing, interviews and home visits, with a view to making grants as fairly and as effectively as possible. All grants are made subject to annual review. Governors hold the responsibility to endorse all recommendations for fee assistance.

Risk management and key risks

The Governors are responsible for ensuring the management of the risks faced by the Dragon. This is delegated to the Risk and Compliance Committee, who review regularly a summary of the primary strategic risks thought most likely to materialise or have the greatest effect, together with the actions to mitigate those risks. The process followed is one of mitigating all gross risks, through testing the School's processes, policies and procedures, so that the net risk is understood and accepted by the School. On an operational basis, this is managed by the Senior Leadership Team and School's Compliance Officer.

Risk mitigating controls

The highest priority is placed on appropriate controls and processes to mitigate risks. Strict adherence to safer recruiting protocols, staff training, and a climate of open communication are fundamental to mitigating safeguarding risks in our School. Operational finance risks are mitigated through in-house oversight and checking. More broadly, risks associated with The Dragon's borrowings of greater than 1-year were mitigated through appropriate hedging financial instruments where appropriate. Considered financial planning, together with comprehensive

management accounting, reporting and budgetary control, ensures the School maintains adequate reserves. Robust governance, strong policies, and effective communication (both internal and external) underpin the School's overall risk mitigation strategy. Internal monitoring of the School's risk and compliance is led by the Compliance Officer on behalf of the Chief Operating Officer and Head.

Reserves

The Governors review the restricted and designated reserves regularly. The specific objects of restricted funds are as follows:

a) The Endowment fund represents amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997. The reserve stood at £3k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries. The reserve stood at £489k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources. The reserve stood at £151k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources. Additional fee concessions and support are provided from the general fund. The reserve stood at £2,752k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the School's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes. The reserve stood at £328k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

f) The 'Capital fund' represents unspent donations raised for building projects – primarily the Music School. Amounts spent on the specific buildings are transferred from the Capital fund to

the general fund in the year the expenditure is incurred. The reserve stood at zero at the end of the year as the building work relating to the donations made to the fund had progressed sufficiently.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments and cash deposits are held against the future liabilities. The reserve stood at zero at the end of the year as the aim is for the assets to match the liabilities.

None of the restricted funds are limited by their objects as to the expenditure of capital except the Endowed Bursaries and Endowment funds. All surpluses together with borrowings, eg bank loans, are reinvested to improve the School's resources. Comparative financial information for the funds can be found in notes 25 & 26.

At the year end the School had a deficit in free reserves of £17,093k mainly represented by land and buildings, which have been financed by the School's accumulated surpluses and supplemented by bank borrowings. In the absence of free reserves, working capital and cash flow are monitored closely. The Governors' policy is to continue building up reserves out of operating surpluses, subject to the requirements for further capital expenditure. The School's working capital is considered to be sufficient to meet its liabilities as they fall due.

Investment

The Trust's investment powers are governed by its Memorandum and Articles of Association. These permit funds to be invested in such investments, securities or property as may be thought fit. The School invested more of its general funds during the year. As these assets are intended to perform over a relatively long term period, targets will be set based on performance of the funds against comparators over a rolling three year period, with comparisons made against alternative investment vehicles each full year.

Prepaid fees funds are invested at the School's discretion in cash deposits or Government stocks so as to match individual schemes' requirements.

Investment performance for the year was disappointing but matched comparable market indices. Total unrealised losses were £88k. The Governors are reviewing the School's current providers and portfolio composition to ensure it remains aligned with its investment objectives.

Section 172 of the Companies Act 2006

The Governors confirm that all relevant issues, factors and stakeholders have been included in this report. They further confirm that regular engagement by Governors has ensured that issues are clearly understood and regular meetings continue to take place. Further, they confirm that key decisions are made with appropriate input and guidance from the Governors.

Disabled applicants and staff

The School makes inclusion a thread which runs through all its activities and seeks to engage people with the widest possible range of knowledge, skill and experience. The School's policies, therefore, are neuro-affirming and facilitate the employment, training and promotion of people with disabilities and differing strengths and abilities. Were an employee to experience disability or onset of a health condition whilst in service, every effort would be made to retain them and make adjustments wherever possible to lessen any disadvantage they experience at work. We aim to foster a culture of inclusivity by training our staff and senior leaders and by an on-going commitment to considering how our practices can be improved to be more inclusive.

Communication with staff

Governors place considerable importance on informing all staff of financial and other matters that affect them, consulting with them where appropriate. The Head and Chief Operating Officer report the outcome of Governors' meetings to staff through the School's formal management structure. All other such matters are briefed to staff as they arise through regular staff meetings. The Dragon Colleague Committee provides a further forum for engagement with colleagues. This is chaired by the Dragon Dean and may be attended by the Chair of Governors, Head, COO and Head of People as required and when invited by the Chair.

Staff are encouraged to discuss matters of concern within the various staff meetings and any feedback is discussed with the Deputy Heads, Head, Chief Operating Officer and Governors as appropriate. This can then influence school policy in several areas.

Relationship with parents and pupils

Dragon School considers its relationship with its parents and pupils to be of the utmost importance. The School prides itself on its open and transparent communication with its parents and pupils.

Dragon School issues regular bulletins on a weekly and termly basis and utilises social media to communicate with agility. Parents are encouraged to approach the School as required to ensure effective two-way communication. The Dragon Parent Partnership provides a further forum for engagement and communication with parents. This is chaired by the Dragon Dean and may be attended by the Chair of Governors, Head and COO as required and when invited by the Chair.

Fundraising

During the year, the charity undertook fundraising activity with its supporters via direct mail, fundraising events and email in line with the Fundraising Code of Practice set by Fundraising Regulator.

When you support you can be sure of the following:

- We will never sell your contact details to anyone;
- We will only contact you if you have expressed an interest in our work;
- If we phone you, we will always check you are happy to take the call;
- If you ask us to change how we communicate with you, or stop, we will respect that;
- We do not engage in cold-calling, door to door or street fundraising;
- We try hard to ensure no one ever feels pressurised to support our work;
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice;
- All our activities are open, fair, honest and legal.

The charity did not work with any fundraising partners in the academic year 2025.

The charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. We did not receive any complaints about fundraising in 2025.

Dealing with suppliers

Dragon School prides itself on working collaboratively with its suppliers, both large and small. The School has introduced a system to monitor supplier payment terms.

Carbon Reporting

As part of our new reporting requirements, the School has reviewed its greenhouse gas emissions and energy use data to compile a report to meet the SECR reporting requirements. The overall consumption of fossil fuels, direct and indirect, can be summarised as equivalent to production of an amount of carbon dioxide ('CO2e'), measured in tonnes. To do so we have used HM Government's environmental reporting guidelines, the GHG Reporting Protocol and HM Government's 2025 conversion factors for company reporting, and then expressed the tCO2e per pupil.

The table below summarises the energy use relating to electricity, gas combustion and transport.

Electricity use	1,121,676 (*2024: 1,266,680)* kWh
Gas Combustion	3,691,887 (*2024: 3,340,985)* kWh
Transport	51,730 (*2024: 41,269)* kWh
Total	4,865,293 (*2024: 4,648,934)* kWh

The greenhouse gas emissions associated with the energy use identified in the table above are as follows:

Electricity use	197.1 (*2024: 261.0)* tCO2e
Gas Combustion	675.2 (*2024: 611.1)* tCO2e
Transport	12.2 (*2024: 9.7)* tCO2e
Total	884.5 (*2024: 884.8)* tCO2e

The School consumed an average of 1.10 (*2024: 1.10*) tCO2e/pupil based on 802 (*2024: 805*) pupils.

The majority of the change came from gas consumption, which is related to weather and temperature during the year. The Dragon is committed to reducing its carbon footprint and is moving towards a Net Zero position through a number of workstreams.

STRATEGIC REPORT

The School provided education to its pupils in accordance with its stated aims and motto *arduus ad solem*. Demand for places continues to be high, in large part due to the recognised high standards achieved by the School. During the year the School had (on average) 802 pupils in total between the Prep school and Dragon Pre-Prep.

The School was inspected by the Independent Schools Inspectorate (ISI) in October 2025. Under the new inspection framework, outcomes are binary with standards either met or not met. Dragon was assessed as meeting the standard in all areas. Particular mention was made of governance and leadership and its role in promoting the curriculum and extensive range of extra-curricular activities. The School's culture of kindness and pupils' social, economic and political wellbeing, including through their participation in philanthropic activities, were also highlighted in the report.

Dragon School - Routine Inspections 2025

IN-YEAR ACHIEVEMENTS

Teaching numbers boast around 735 music lessons a week across wide-reaching disciplines. These cover the full complement of western classical instruments as well as pop instruments and Music Tech.

Our ensembles and pre-select music groups programme continues to thrive with 60 music groups running weekly across both sites. This gives a full range of styles and abilities over all our year groups. Singing is once again running at capacity with our year group choirs well subscribed and our pre-select choirs bursting at the seams.

During the school year pupils took 212 music exams in total. Of these 43 were at Grade 5 or above on many different instruments, with an average of a 100% exam pass rate. 32% of our pupils achieved distinctions and 48% achieved merits.

Musical events with our partner schools remain a central part of our Social Impact programme. Our Gamelan Days with local primaries, including a local SEN specialist school, are a termly fixture in our calendar. Our annual Orchestral Day in partnership with Oxford Philharmonic Orchestra brings together young Dragons and dozens of pupils from over eight local primary and secondary schools. This year also saw the third edition of our annual musical theatre workshop with children from Windale Primary.

In Sport, the School's vision of making sport accessible to everyone was embraced enthusiastically by Dragons themselves with our aim being that every Prep School child has the chance to represent the School in each major termly sport. There are a variety of other sports available for the children to participate in all year round with a breadth of activities on offer through our clubs' programme in addition to the curriculum sport.

We provide extensive opportunities for the pupils to represent the school at all levels and regularly have over 30 different teams playing on match days, with our more senior sides playing fixtures on arguably the most competitive Prep-School circuit around. In the last Academic Year 185 teams, played 1244 matches in the major sports. We also enjoyed tournament success in multiple sports, finishing runners-up in the National Finals for both girls' cricket and girls' hockey. Furthermore, several Dragons earned representative honours at district, county and regional level in an increasing number of sports, realising the School's twin aims of promoting both participation and performance.

Our leaving pupils sat Common Entrance in School again, achieving 80% A&B Grades – an excellent comparison to previous years. Our leavers gained 64 awards to their senior schools including 24 academic Scholarships or Exhibitions.

The Dragon's Social Impact programme aims to teach children about service, philanthropy and social entrepreneurship, inspiring them to think openly and critically about global issues. Pupils are the driving force behind this activity, and every child is involved at some level during the year. Our three School Charities of the Year are voted for by the pupils and each year group holds a fundraising event during the academic year, from plant and cake sales to sporting challenges. This framework allows children to develop deeper knowledge of their chosen charities through sustained engagement. Children are also invited to nominate charities for support from the annual Dragon Christmas Charity Sale, in which they actively participate by running stalls.

Assemblies and Spectrum events give children the opportunity to learn more about charitable and social initiatives, and these subjects are also woven into the curriculum where possible. Our A Block (Year 8) Social Impact Ambassadors and Pre-Prep Changemaker Champions help to organise, support and promote our activities across the year.

The School is maintaining progress with improving its infrastructure. This period saw significant enhancements to our Early Years provision at the Pre-Prep as well as an extensive refurbishment of School House, our largest boarding house. This means that our programme of upgrading all our boarding houses is now complete.

The Pre-Prep, on a separate site to the North of Summertown has around 215 pupils at the start of their education. Here the foundations are laid in all areas of school life supporting the successes Dragons achieve throughout their time at the school. Play facilities have recently been upgraded providing exciting spaces for the children to develop physically and socially and the IT infrastructure and equipment have been invested in to provide integrated learning opportunities across the curriculum.

Operational performance – Key Performance Indicators

- 100% of leaving children passed to their school of choice.
- 80% of Common Entrance papers were graded A or B
- 64 academic, music, art, sporting and all-round awards were made to Dragon pupils by their secondary schools.

- Fee income was £22,926k
- Donations and legacies were £1,811k
- Staff costs were £13,457k

Operational performance – Widening Access and Social Impact

a) Bursaries and other grants:

Bursaries are at the heart of the Dragon's public benefit provision. The Dragon has a target of 25 Bursary awards across the School in the academic year and new grants per year have been awarded each year to try to meet this target. Bursary awards (day and boarding) were on average just over 75% of the fees at a cost to the School this year of £666k (*2024: £584k*); a range of other grants including staff and hardship totalling a further £869k (*2024: £716k*) were awarded between 52 other pupils.

b) Social Impact:

Our goal is to be pioneers in the area of social impact. As a school, we aim to develop curious and empathetic pupils who understand the local and global challenges facing society today. And as a whole organisation, we aim to undertake positive action to help address and alleviate those challenges. This is built into our curricular and co-curricular activities, and every Dragon pupil is involved in our Social Impact programme, – from charitable fundraising to participation in events and activities with partner schools.

c) Educational:

Dragon is a partner of Royal National Children's SpringBoard Foundation, a national organisation which aims to widen access to the opportunities available in state boarding and independent schools for young people with care experience and those facing barriers to opportunity. We welcome up to two SpringBoard pupils per year. Surplus sports, music and academic equipment is donated to other schools or charities; some members of Dragon staff act as governors on local and IEB boards; and links with other schools are built through collaborative workshops, competitions, lectures and debates.

d) Music, Sport and Arts:

Dragon musicians have played and sung in public at a variety of venues, including in local care homes. International visitors have provided sporting as well as musical interaction. In addition, a range of local schools, charities and local groups and clubs continue to use the School's facilities when available. In addition, a select number of children from a local Oxfordshire primary school took part in our Saturday morning co-curricular programme, Quest.

e) Community:

During the year pupils raised funds for the three School Charities of the Year through wide-ranging entrepreneurial activity. The Dragon Christmas Charity Sale, which takes place at the end of the Christmas term, distributed funds for various charities as suggested by pupils and staff; the sale takes place on School premises and is run by a parent committee with the assistance of pupils and staff. The Dragon catering team produced over 100 hot meals every Friday, which are distributed to vulnerable people in our community by Good Food Oxford. Children and parents are also encouraged to donate food to the two Dragon Larders at the Prep and Pre-Prep sites, with over 100 boxes of food and essentials distributed to local food banks and community centres during the year.

Operational performance – Fundraising

The School raised £564k (*2024: £799k*) to further its activities this year, comprising donations from current parents, Old Dragons and former parents. The focus of our fundraising continued to be the Transformational Bursary Programme and the Music and Performing Arts Centre, now known as Skipper's. Funds were raised through a range of means, including targeted email appeals, face-to-face meetings and events.

Operational performance – Financial

The Trust's accounts reflect its general success as a school; this underpins the School's ability to service the private placement which finances the work of the School and replaced the initial financing to purchase the School's freehold.

Any operating surplus generated by the School is invested in the major capital projects needed to keep the School at the forefront of preparatory education, and in the provision of subsidised education for children otherwise unable to attend such a school. Inevitably, the demand for capital investment continues to exceed available resources and in setting the fees the Governors have to balance accessibility and fairness to current parents with the investment requirements of a leading school. The School is increasingly reliant on fundraising for capital projects.

Fee income increased during the year due to an increase in the fees, related to increased inflationary pressures seen in the UK. During the year £22,926k (*2024: £22,453k*) was generated from fees, 90% of its total income of £25,471k (*2024: £25,038k*).

The other significant element of income is donations and legacies of £1,811k (*2024: £1,472k).*

The greatest part of the Trust's expenditure is on staff costs which at £13,457k (*2024: £12,619k*) represent 58% (*2024: 55%*) of expenditure; and of these staff costs, £9,324k (*2024: £9,305k*) are spent on teaching, with an additional £1,656k (*2024: £1,340k*) on welfare and pastoral functions.

Finance costs remain significant at £1,046k payable (*2024: £1,035k*), mostly as interest on the School's Private Placement loan of £30 million. Other non-staff costs include direct expenditure on teaching of £1,506k (*2024: £1,206k*), premises of £1,765k (*2024: £2,305k*) and welfare of £2,573k (*2024: £2,627k*).

Virtually all these costs, staff, finance and other, which are necessary for the charity to meet its objects, represent semi-fixed overheads.

The School spent £1,549k (*2024: £10,160k*) on fixed assets, a significant decrease following the completion of Skippers in September 2024. Most expenditure went to ongoing boarding house maintenance, with several smaller equipment purchases—some supported by donations—across teaching and boarding areas. The School expects to recover £2,357k of previously paid VAT on fixed asset additions over the next 10 years via the Capital Goods Scheme, due to VAT now being applied to school fees.

The Trust's balance sheet is dominated by the net book value of its fixed assets, mainly freeholds and buildings in progress, of £55,226k (*2024: £57,180k*), including, in particular, the main site purchased in January 2007 for £29,733k. The School's Private Placement was successfully issued in 2022 and this forms the largest part of the liabilities at £30,000k *(2024: £30,000k).* The other fixed assets are long term investments valued at £9,768k (*2024: £9115k*). The increase in long term investments is largely due to a £741k investment in a bursary fund using cash received from the winding down of the Lyman Educational Fund. The current assets are comprised primarily of cash at £11,431k (*2024: £12,860k*) which offset the creditors due within one year of £6,440k (*2024: £7,353*) which are chiefly comprised of pupil deposits and fees received in advance relating to pupils.

Going concern assumptions

The Governors closely monitor the current and future expected financial performance of the School, taking into consideration budgets, forecasts and the longer-term strategic business plan. Cashflows and forecasts are regularly remodelled to reflect possible downside scenarios. Reviews carried out have confirmed that the cash reserves of the School are adequate to meet the charity's obligations as they fall due and that the School is financially secure and able to operate effectively for the foreseeable future.

The School continues to report a strong cash position as the year end together with healthy pupil numbers for 2025/26 giving the Governors confidence that the charity has adequate resources to continue its activities for the foreseeable future, being at least 12 months from the date of approval of the financial statements.

Future plans

The School reviews its strategic framework regularly. With our 150th Anniversary falling in 2027, we look forward to launching our refreshed strategy of *2027 and Beyond.* This will encompass aims and objectives across the 3 strands of Campus, Curriculum and Community

Academic Development:

- To raise a generation of Dragons who are academically rigorous, creative, independent and ambitious free thinkers. To be a market leader in prep school education through curriculum design, professional development of teaching staff and partnerships (please see the annual strategy document for our yearly targets).

Pastoral Development:

- Create structures within the School that assist children, staff and parents to develop clear identities.
- Maximise all opportunities in the School to help provide children with the social skills to develop positive relationships with others.
- Ensure that parents are fully involved in the School's pastoral and welfare initiatives.
- Develop training at all levels to help children, staff and parents develop strategies for understanding and promoting good pastoral care.

ICT Development:

- Implement a digital strategy to provide staff and pupils with an effective and efficient teaching and learning platform at School and at home.
- Ensure a safe and secure ICT environment for the Dragon community.
- Further enhance the School's cyber-security posture and resilience.
- Further progress the School's transition to a cloud managed environment.

Social Impact and Public Benefit:

- Increase the impact of the Transformational Bursary Programme through larger awards.
- Establish the School as a recognised leader in pupil-led service and social entrepreneurship.
- Work closely with partner schools to develop initiatives that enhance existing provision.
- Reflect sustainable development through policy and practice at all levels.

Facilities Development:

- To continue the School's progress towards net zero.
- To continue a refurbishment programme for the School's boarding houses.
- To provide residential accommodation to allow the School to recruit and retain the best possible staff.
- To redevelop the EYFS area to provide a more open plan and welcoming teaching and play space for our youngest Dragons.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report 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 Trust and its subsidiary ('the group'), and of the result of the group for that year.

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 Trust and subsidiary's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and subsidiary and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- there is no relevant audit information of which the group's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors are grateful for the tremendous parental support for the School in achieving all that it does. It is the commitment of parents, the leadership of the Head, the effort put into caring for the pupils by the staff, and the energy of those pupils, and the dedicated work of the support staff in all their fields of expertise, which make the School what it is today and enables it to face the future with confidence.

This Governors' Report, which incorporates the Strategic Report, was approved by the Governors and signed on their behalf by:

P. Cameron Watt

Penelope Cameron Watt, Chair

21st March 2026

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2025:
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DRAGON SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Dragon School Trust Limited ('the charitable company') and its subsidiary ('the group') for the year ended 31 August 2025 which comprise consolidated statement of financial activities, group and charity balance sheets, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2025 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in

the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

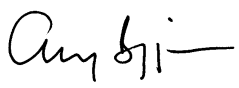
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within bursaries, scholarships and other discounts, timing of recognition of legacy income, and the override of controls by management. Our audit procedures to respond to these risks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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have

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

Use of our report

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



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James' Square
Cheltenham
GL50 3PR

Date: 2 April 2026

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2025:
GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2025

	Note	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2025	*Total funds 2024*
		£'000	£'000	£'000	*£'000*	*£'000*
INCOME FROM:						
Charitable activities						
School fees	2.	22,926	-	-	22,926	*22,453*
Other educational	3.	43	-	-	43	*38*
Other ancillary trading	4.	19	-	-	19	*30*
Other trading activities						
Non-ancillary trading		234	-	-	234	*185*
Investments						
Investment income	5.	-	10	-	10	*3*
Bank and other interest	6.	428	-	-	428	*857*
Voluntary sources						
Donations and legacies	7.	72	1,739	-	1,811	*1,472*
Total income		23,722	1,749	-	25,471	*25,038*
EXPENDITURE ON:						
Raising funds						
Fundraising for voluntary resources		341	-	-	341	*299*
Trading		116	-	-	116	*57*
Other		79	-	-	79	*136*
Total costs of raising funds		536	-	-	536	*492*
Charitable activities						
Schools and grantmaking		20,891	628	-	21,519	*21,399*
Schools - financing costs	9.	1,046	-	-	1,046	*1,035*
Total costs of charitable activities		21,937	628	-	22,565	*22,434*
Total expenditure	8.	22,473	628	-	23,101	*22,926*
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		1,249	1,121	-	2,370	*2,112*
Investment (losses) / gains	15.	(57)	(27)	(4)	(88)	*600*
NET INCOME		1,192	1,094	(4)	2,282	*2,712*
Transfers between funds	25.	(605)	605	-	-	-
NET MOVEMENT IN FUNDS		587	1,699	(4)	2,282	*2,712*
Fund balances at 1 September 2024		37,545	1,532	496	39,573	*36,861*
FUND BALANCES AT 31 AUGUST 2025		38,132	3,231	492	41,855	*39,573*

All activities are continuing. No separate income and expenditure account as required under the Companies Act 2006 has been presented, as there are no differences between that and the Statement of Financial Activities presented above. The notes on pages 9 to 25 form part of these accounts.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2025:
GROUP AND CHARITY BALANCE SHEETS AT 31 AUGUST 2025

	Note	Group		Charity	
		2025	***2024***	2025	*2024*
		£'000	***£'000***	£'000	*£'000*
Fixed assets					
Tangible assets	12.	**55,226**	***57,180***	55,226	*57,180*
Investments	15.	**9,768**	***9,115***	9,768	*9,115*
		64,994	***66,295***	64,994	*66,295*
Current assets					
Stock	13.	**1**	***1***	-	-
Debtors	14.	**4,730**	***1,658***	4,795	*1,632*
Cash at bank and in hand	16.	**11,431**	***12,860***	11,217	*12,714*
		16,162	***14,519***	16,012	*14,346*
Creditors: due within one year	17.	**(6,440)**	***(7,353)***	(6,408)	*(7,310)*
Net current assets		**9,722**	***7,166***	9,604	*7,036*
Total assets less current liabilities		**74,716**	***73,461***	74,598	*73,331*
Creditors: due in more than one year	18.	**(32,861)**	***(33,888)***	(32,861)	*(33,888)*
Total net assets	26.	**41,855**	***39,573***	41,737	*39,443*
Endowment funds		**492**	***496***	492	*496*
Restricted funds		**3,231**	***1,532***	3,231	*1,532*
Unrestricted funds		**38,132**	***37,545***	38,014	*37,415*
Fund balances	25.	**41,855**	***39,573***	41,737	*39,443*

The notes on pages 9 to 25 form part of these accounts.

In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Dragon School Trust Limited. The Trust net income for the year was £2,294k (*2024: £2,617k*).

The financial statements were approved and authorised for issue by the Board of Governors
On 21st March 2026 and were signed below on its behalf by

P. Cameron Watt

Penelope Cameron Watt, Chair

21st March 2026

Company number: 00524331

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2025:
GROUP STATEMENT OF CASH FLOWS

	Note	2025		*2024*	
		£'000	£'000	*£'000*	*£'000*
Net cash inflow from operations	(a).		810		*2,873*
Cash flows from investing activities					
Interest received		428		*857*	
Receipts from disposals of fixed assets		2,357		*29*	
Receipts from disposals of investments		-		*-*	
Payments for investments		(741)		*(3,800)*	
Investment income receipts		10		*3*	
Payments for tangible fixed assets		(1,549)		*(10,160)*	
Net cash used in investing activities			505		*(13,071)*
Cash flows from financing activities					
Interest paid		(1,014)		*(1,023)*	
Receipts from prepaid fees scheme		-		*3,409*	
Payments from prepaid fees scheme		(1,730)		*(709)*	
Net cash used in financing activities			(2,744)		*1,677*
Change in cash and cash equivalents in the reporting period			(1,429)		*(8,521)*
Cash and cash equivalents at the beginning of the reporting period			12,860		*21,381*
Cash and cash equivalents at the end of the reporting period			11,431		*12,860*

Charity law requires separate administration of the cashflows of endowed and other restricted funds of the Trust. This constraint has not adversely affected group cashflows as stated above.

a) Reconciliation of net income to cash flow from operating activities	2025 £'000	*2024 £'000*
Net income	2,282	*2,712*
Investment (gains)	88	*(600)*
(Gains) on disposal of fixed assets	-	*(29)*
Interest payable	1,046	*1,035*
Interest receivable	(428)	*(857)*
Investment income	(10)	*(3)*
Depreciation charges	1,146	*803*
Decrease in stocks	-	*6*
Increase in debtors	(3,072)	*(875)*
Decrease/(increase) in creditors	(242)	*681*
Net cash inflow from operating activities	810	*2,873*

b) Analysis of cash flows and net debt

	1 Sept 2024	Cashflow	Other movements	31 Aug 2025
	£'000	£'000	£'000	£'000
Cash at bank and in hand	12,860	(1,429)	-	11,431
Debt: bank loans	(30,000)	-	-	(30,000)
	(17,140)	(1,429)	-	(18,569)

The notes on pages 9 to 25 form part of these accounts.

1. ACCOUNTING POLICIES

a) General information
The School is a Public Benefit Entity, registered as a charity (charity number: 309676) and company limited by guarantee (company number: 524331). The School's registered office address is: Dragon School, Bardwell Road, Oxford, OX2 6SS.

b) Basis of accounting
The accounts are prepared under the historical cost convention as modified by the revaluation of listed investments, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Second Edition, Effective 1 January 2019.

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 functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates. The balances in the accounts are rounded to the nearest thousand.

c) Consolidation/ group accounts
The Trust has beneficial ownership of 100% of the share capital of Dragon School Trading Limited and 100% of the share capital of Dragon School International Ltd. The group accounts consolidate the results of these subsidiary, which are summarised in note 28. The Trust's Governors represent the ultimate controllers of the group.

d) Critical accounting judgements and estimates and key sources of estimation uncertainty
In the application of these accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. The Governors consider the following items to be areas subject to estimation and judgement:

Depreciation:
The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Although tangible fixed assets are significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically, no changes have been required.

Legacies:
See accounting policy 1g) for details of the judgement applied in respect of the valuation of legacy income where cash is not yet received.

1. ACCOUNTING POLICIES (continued)

Impairment of debtors:
The School makes an estimate of the recoverable value to trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's accounts.

e) Income – fees and similar income
Income is recognised, in general, only with respect to the period of account and are stated after deducting Bursaries, scholarships and other remissions allowed by the School. Fees paid with respect to future terms are carried forward as liabilities; and donations of any sort are included only when resources are irrevocably transferred. School fees include extras. Other Educational Income primarily consists of registration fees and income from the hiring out of some of the school's facilities at certain times during the year. Income from such sources is recognised over the period in which the relevant service is delivered.

f) Income – donations
Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Donations received for the general purposes of the School are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are credited to the relevant Restricted Funds or Endowment Funds.

g) Income - legacies
Legacies are recognised and credited directly to the statement of financial activities based on the earlier of the settlement of the estate and issue of Estate Accounts, or receipt of payment.

h) Income – investments
Interest is included on an accruals basis. Dividends from investment funds are included as receivable on the due dates.

i) Expenditure
With respect to resources expended running the school, 'property' includes costs of maintaining the buildings used for educational purposes, while 'welfare' include boarding and catering costs; 'support' represents other costs of servicing the direct teaching function, including governance costs. Irrecoverable VAT is included with the item of expense to which it relates in all cases. Overheads and other costs not directly attributable to a functional activity are apportioned on the basis of management estimates consistently applied.

Redundancy and termination costs only occur where absolutely necessary and are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

j) Fund accounting
The School has three types of funds

- Restricted - where the purpose for which the funds may be used has been restricted by donors;
- Endowment - where the capital is held in perpetuity to generate distributable income; and
- Unrestricted - where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted but the Governors have designated them for a specific purpose.

1. ACCOUNTING POLICIES (continued)

k) Tangible fixed assets

Land and buildings are shown at original cost. Fixtures and fittings are capitalised when they are included in the provision of additional facilities, such as when a building is extended or converted; other fixtures and fittings are charged to revenue in the year of purchase. Equipment costing over £1k is capitalised.

Depreciation is provided on all assets other than freehold land. Assets under constructions are not depreciated until they are completed and brought into use. Freehold buildings are amortised on a straight line basis, taking into account their estimated residual value, which in the case of education-specific buildings is considered negligible but in the case of residential property is expected to approximate their original costs. Leasehold land and buildings are amortised over the period of the lease. With respect to other assets depreciation is provided at straight line on cost.

The estimated lifetimes of various types of assets in use are:

Freehold buildings	50 years
Other	3-10 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

l) Operating lease rentals

Rentals paid under operating leases are charged to the Statement of Financial Activities (SoFA) on a straight line basis over the period of the lease.

m) Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Gains and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses are calculated as the difference between sale proceeds and opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value of investments at the year-end and their carrying value. Realised and unrealised investment gains and losses are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investment subsidiaries are valued at cost less provision for impairment.

n) Stock

Stock of consumables held at the year-end are valued at cost, subject to their usability. Stock held for resale is valued at the lower of cost and net realisable value. Purchases of educational materials for the next academic year are carried forward as prepayments.

o) Debtors

Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

p) Cash at bank and in hand

Cash at bank and in hand includes cash and deposits with a short term maturity of six months or less from the date of opening the deposit account.

1. ACCOUNTING POLICIES (continued)

q) Creditors
Creditors are recognised where the School has a present obligation arising 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 reliably. Amounts are recognised at their settlement amount.

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

Financial assets / liabilities held at fair value through the profit or loss comprise derivatives. Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the SoFA as a fair value movement. The School does not currently apply hedge accounting for interest rate swap derivatives.

s) Pension costs
Pension costs represent contributions under defined contribution schemes' costs in the current year.

2. CHARITABLE ACTIVITIES - SCHOOL FEES	2025	*2024*
	£'000	*£'000*
School fees and extras	23,833	*22,544*
less scholarships, Bursaries and grants	(1,535)	*(1,300)*
	22,298	*21,244*
Bursaries paid from restricted funds	628	*1,209*
	22,926	*22,453*

3. CHARITABLE ACTIVITIES – OTHER EDUCATIONAL	2025	*2024*
	£'000	*£'000*
Registration fees	40	*36*
Courses & conferences	3	*2*
	43	*38*

4. CHARITABLE ACTIVITIES – ANCILLARY TRADING	2025	*2024*
	£'000	*£'000*
Fund raising	1	*1*
Profit on sale of fixed assets	18	*29*
	19	*30*

5. INVESTMENT INCOME

	2025 £'000	*2024 £'000*
Listed and other investments	10	*3*
	10	*3*

6. BANK AND OTHER INTEREST

	2025 £'000	*2024 £'000*
Bank interest	389	*806*
Other	39	*51*
	428	*857*

7. DONATIONS AND LEGACIES

	2025 £'000	*2024 £'000*
Donations for bursaries	627	*1,035*
Legacies - restricted	997	*174*
Legacies - unrestricted	72	*24*
Other donations - restricted	115	*239*
	1,811	*1,472*

8a. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £'000	Depr'n £'000	Other £'000	2025 Total £'000
Cost of raising funds				
Fundraising for voluntary resources	290	-	51	341
Trading costs	-	-	116	116
Other costs	-	-	79	79
Total cost of raising funds	290	-	246	536
Charitable activities				
Schools and grantmaking				
Teaching	9,324	164	1,506	10,994
Welfare	1,656	15	2,573	4,244
Premises	559	811	1,765	3,135
Support costs of schooling (including governance – note 8c)	1,628	156	734	2,518
Grants, awards and prizes (note 8b)	-	-	628	628
	13,167	1,146	7,206	21,519
Schools - financing costs (note 9)	-	-	1,046	1,046
Total costs of charitable activities	13,167	1,146	8,252	22,565
Total expenditure	13,457	1,146	8,498	23,101

No allocation has been made of senior management time spent on governance matters as such time is additional to full time roles providing support to the School's teaching. Staff costs are further detailed in note 10.

8a. ANALYSIS OF TOTAL EXPENDITURE (cont'd)
Prior year comparative information

	Staff costs £'000	Depr'n £'000	Other £'000	2024 Total £'000
Cost of raising funds				
Fundraising for voluntary resources	232	-	67	299
Trading costs	-	-	57	57
Other costs	-	-	136	136
Total cost of raising funds	232	-	260	492
Charitable activities				
Schools and grantmaking				
Teaching	9,305	74	1,206	10,585
Welfare	1,340	9	2,627	3,976
Premises	221	542	2,305	3,068
Support costs of schooling (including governance – note 8c)	1,521	178	862	2,561
Grants, awards and prizes (note 8b)	-	-	1,209	1,209
	12,387	803	8,209	21,399
Schools - financing costs (note 9)	-	-	1,035	1,035
Total costs of charitable activities	12,387	803	9,244	22,434
Total expenditure	12,619	803	9,504	22,926

8b. GRANTS, AWARDS AND PRIZES

	2025 £'000	2024 £'000
From Restricted Funds:		
Bursaries and other grants and awards	628	1,209
	628	1,209

8c. GOVERNANCE COSTS

	2025 £'000	2024 £'000
Auditors' remuneration – audit (Group)	26	26
Auditors' remuneration – audit (subsidiary)	2	2
Auditors' remuneration – non-audit	20	2
Reimbursement of expenses to Governors	-	1
Other governance costs	40	69
	88	100

9. FINANCING COSTS	2025	*2024*
	£'000	*£'000*
Interest payable is due on:		
Bank loans and overdrafts	1,014	*1,023*
Discounts allowed on prepaid fees	32	*12*
	1,046	*1,035*

Financing costs are included in costs of charitable activities as part of the operation of the School.

10. EMPLOYEES	2025	*2024*
	£'000	*£'000*
Staff costs:		
Wages and salaries	10,925	*10,247*
National Insurance	1,150	*1,036*
Pension costs	1,341	*1,311*
Severance pay	41	*25*
	13,457	*12,619*
The numbers of employees whose remuneration was over £60k		
(including severance pay) fell into the following bands:	No.	*No.*
£60 - £70k	12	*13*
£70 - £80k	4	*3*
£80 - £90k	4	*2*
£90 - £100k	1	*1*
£130-£140k	-	*1*
£140-£150k	1	*-*
£180-£190k	1	*1*
These higher paid staff had defined	£'000	*£'000*
contribution pension schemes, total cost:	255	*227*
Total pension costs were made up of:	£'000	*£'000*
Defined contribution schemes	1,341	*1,311*
	1,341	*1,311*

The total employment costs of key management personnel, during the year was £894k (*2024: £832k*).

The Governors did not receive any remuneration. The accounts do not estimate the value of their time and expertise in governance and support roles, though this is considerable. One (*2024: Two* Governors received travel and caring expenses during the year totalling £0.2k (*2024: £0.5k*).

10. EMPLOYEES (continued)

The average number of employees, based on head count, excluding Governors, was:	2025 No.	*2024* No.
Teaching	220	211
Pensioners	2	3
Support staff	97	99
Development	7	6
	326	319

11. TAXATION

As a registered charity the Trust does not pay corporation tax on surpluses arising from its charitable activities. The Trust's subsidiary, Dragon School Trading Limited, pays corporation tax on profits, but these are nil for tax purposes after allowing for the payment of profits to the parent company as a charge.

12. TANGIBLE FIXED ASSETS (group *and* parent company) for own use:

	Assets in Course of Construction	Freehold Property	Motor vehicles	Other	TOTAL
	£'000	£'000	£'000	£'000	£'000
Cost					
at 1 September 2024	14,542	49,387	109	8,364	72,402
additions	-	1,198	-	351	1,549
disposals	-	-	(75)	(2,548)	(2,623)
capital goods scheme adjustment	-	(2,357)	-	-	(2,357)
transfers	(14,542)	14,542	-	-	-
at 31 August 2025	-	62,770	34	6,167	68,971
Depreciation					
at 1 September 2024	-	8,168	102	6,952	15,222
charge	-	567	2	577	1,146
released on disposal	-	-	(75)	(2,548)	(2,623)
at 31 August 2025	-	8,735	29	4,981	13,745
Net book value					
at 1 September 2024	*14,542*	*41,219*	*7*	*1,412*	*57,180*
at 31 August 2025	-	54,035	5	1,186	55,226

The rebuild cost of properties included in freehold was approximately £88,165k at the most recent insurance review (September 2025) though this does not include the value of the land itself. Governors are of the opinion that the current market value of freeholds is considerably in excess of the historical cost shown. With respect to other assets (fixtures, fittings and equipment), these are insured for £5,704k. These values are cited merely for comparison with the historical cost figures shown above. The School does not own any heritage assets.

Virtually all assets held are used for the purposes of the School's operation; some small proportion is used for management and trading, but identification of the amounts involved is not practicable.

13. STOCKS

	Group		Parent company	
	2025	*2024*	2025	*2024*
	£'000	*£'000*	£'000	*£'000*
Goods for resale	-	-	-	-
Consumables	1	*1*	-	-
	1	*1*	-	-

14. DEBTORS

	Group		Parent company	
	2025	*2024*	2025	*2024*
	£'000	*£'000*	£'000	*£'000*
Trade debtors	634	*553*	625	*551*
Amount owed by subsidiary	-	-	96	*11*
Loans	18	*10*	18	*10*
Prepayments	533	*405*	511	*370*
Accrued income	1,188	*690*	1,188	*690*
Taxation	2,357	-	2,357	-
	4,730	*1,658*	4,795	*1,632*

15. INVESTMENTS

	Group and parent company	
	2025	*2024*
	£'000	*£'000*
Investments are shown at market value:		
Other U.K. listed investments held as fixed assets	9,768	*9,115*
	9,768	*9,115*
Historical cost:	9,010	*8,269*
Value of investments:		
brought forward	9,115	*4,715*
disposals at value brought forward	-	-
acquired	741	*3,800*
change in unrealised values	(88)	*600*
carried forward	9,768	*9,115*

16. CASH AT BANK AND IN HAND

	Group		Parent company	
	2025	*2024*	2025	*2024*
	£'000	*£'000*	£'000	*£'000*
Cash on deposit	10,624	*12,118*	10,624	*12,118*
Current bank accounts and petty cash	807	*742*	593	*596*
	11,431	*12,860*	11,217	*12,714*

17. CREDITORS: DUE WITHIN ONE YEAR

	Group		Parent company	
	2025	*2024*	2025	*2024*
	£'000	*£'000*	£'000	*£'000*
Trade creditors	1,178	*1,881*	1,161	*1,875*
Amount owed to subsidiary	-	-	-	-
Taxation and social security	185	*289*	185	*264*
Accruals	808	*1,238*	793	*1,226*
Other creditors	26	-	26	-
Deferred income				
- fees received in advance	2,581	*1,605*	2,581	*1,605*
- deposits held	629	*670*	629	*670*
- prepaid fees scheme	1,033	*1,670*	1,033	*1,670*
	6,440	*7,353*	6,408	*7,310*

18a. CREDITORS: DUE IN IN MORE THAN ONE YEAR

	Group and parent company	
	2025	*2024*
	£'000	*£'000*
Bank loans	30,000	*30,000*
Deferred income: prepaid fees	939	*2,000*
Deposits held	1,922	*1,888*
	32,861	*33,888*

18b. ANALYSIS OF LONG TERM CREDITORS

Long term creditors are due in less than five years except as follows:

Bank loans:		
due within one year	-	-
due between two and five years	-	-
due in more than five years	30,000	*30,000*
	30,000	*30,000*
Deferred income - prepaid fees 19.		
due within one year	1,033	*1,670*
due between two and five years	846	*1,848*
due in more than five years	93	*152*
	1,972	*3,670*
Deposits held:		
due within one year	629	*670*
due between two and five years	1,194	*1,196*
due in more than five years	728	*692*
	2,551	*2,558*

18c. LONG TERM CREDITORS: EXPLANATORY NOTES

On 18 March 2022, the School issued £30m of Senior Secured notes in a Private Placement to Canada Life Limited and Canada Life Assurance Company. These Notes have a fixed interest rate of 3.41% and are due for repayment on 29 April 2050. The School granted a legal charge over the following properties as security for the loans; Dragon Prep School, Dragon Pre-Prep School, School House, 30/32 Bardwell Road, Cherwell House, 26/28 Bardwell Road, 1 Charlbury Road, 3 Charlbury Road, 7 Charlbury Road, 6 Chadlington Road, Lane House and Richard's Cottage.

19. PREPAID FEES ACCOUNT

	Group and parent company	
	2025	*2024*
	£'000	*£'000*
Balance at the beginning of the year	3,670	*958*
New contracts	-	*3,409*
Amounts accrued to contracts as debt-financing costs	32	*12*
Amounts used in payment of fees		
– to the School	(1,730)	*(709)*
– to other Schools	-	*-*
Balance at year end	1,972	*3,670*

20. PENSIONS

Up to 1 September 2021, the majority of the staff participated in one of two pension schemes: the Teachers' Pension Scheme (TPS) run by the Teachers' Pension Agency specifically for teaching staff, and a defined contribution scheme for other staff, with Scottish Widows.

On 1 September 2021, the School left the TPS scheme and the defined contribution scheme with Scottish Widows was closed. The school operates a defined contribution scheme with Royal London which all staff can join. The assets of the scheme are held separately from the Trust in an independently administered fund. The employer contributes up to 16.48% corresponding to employees' chosen contribution rates.

Included within salary costs are payments to certain former staff members or their spouses whose pension provision prior to the School adopting the TPS was inadequate during their employment. The total amount paid was £9k (*2024: £9k*). The Trust is under no legal obligation to continue with these payments and accordingly the accounts do not include any estimate, actuarial or otherwise, of a possible total future commitment.

21. RELATED PARTIES

Five *(2024: Six* of the Governors had children at the School during the year, for which they are charged normal fees and extras as agreed in the standard parent-school contract.

In addition to assisting the school in raising funds, Governors themselves make charitable donations to the school from time to time, but there is no requirement to do so. The total charitable contributions in the year from Governors was £3k (*2024: £1k*).

One of the Governors is also a Governor of St Edward's School, Oxford (0116784). During the year the School paid St Edward's £0.5k (2024: £1k)for the hire of sports facilities and received £150k (2024: £123k) towards school fees for 10 pupils (2024: 10 pupils).

The School also had transactions with its subsidiary company, Dragon School Trading Limited, which are detailed in note 28.

There were no other related party transactions in the current or previous year.

22. CAPITAL COMMITMENTS

The School had capital commitments of £182k (*2024: £158k)* with respect to building contracts in progress at the year-end.These commitments were discharged in September 2025. There were no amounts committed but not yet contracted.

23. FINANCE LEASE COMMITMENTS

The School has no future minimum lease commitments under non-cancellable finance leases.

24. OPERATING LEASE COMMITMENTS

The School had total future minimum lease commitments under non-cancellable operating leases as follows:

	Group and parent company	
	2025	*2024*
	£'000	*£'000*
Due within 1 year	89	*68*
Due 2-5 years	153	*179*

The total operating lease expense recognised in the SoFA for the year is £77k (*2024: £70k*).

25. FUNDS: DETAILED MOVEMENTS

	Balance at 1 Sept 2024	Incoming resources	Outgoing resources	Investment (losses) / gains	Transfers between funds	Balance at 31 Aug 2025
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	493	-	-	(4)	-	489
	496	-	-	(4)	-	492
RESTRICTED FUNDS						
Knatchbull Memorial fund	124	10	-	17	-	151
Bursaries funds	1,059	1,624	(628)	(44)	741	2,752
Capital fund	-	110	-	-	(110)	-
Development fund	349	5	-	-	(26)	328
	1,532	1,749	(628)	(27)	605	3,231
UNRESTRICTED FUNDS						
Prepaid fees	-	-	(32)	-	32	-
General fund	37,415	23,488	(22,325)	(57)	(507)	38,014
	37,415	23,488	(22,357)	(57)	(475)	38,014
CHARITY total funds	39,443	25,237	(22,985)	(88)	130	41,737
Non-charity trading funds	130	234	(116)	-	(130)	118
GROUP	39,573	25,471	(23,101)	(88)	-	41,855

Prior year comparative information	*Balance at 1 Sept 2023*	*Incoming resources*	*Outgoing resources*	*Investment gains*	*Transfers between funds*	*Balance at 31 Aug 2024*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
ENDOWMENT FUND	*3*	*-*	*-*	*-*	*-*	*3*
ENDOWED BURSARIES FUND	*445*	*-*	*-*	*48*	*-*	*493*
	448	*-*	*-*	*48*	*-*	*496*
RESTRICTED FUNDS						
Knatchbull Memorial fund	*105*	*4*	*-*	*15*	*-*	*124*
Bursaries funds	*948*	*1,209*	*(1,209)*	*111*	*-*	*1,059*
Capital fund	*-*	*207*	*-*	*-*	*(207)*	*-*
Development fund	*313*	*55*	*-*	*-*	*(19)*	*349*
	1,366	*1,475*	*(1,209)*	*126*	*(226)*	*1,532*
UNRESTRICTED FUNDS						
Prepaid fees	*-*	*-*	*(12)*	*-*	*12*	*-*
General fund	*35,010*	*23,378*	*(21,648)*	*426*	*249*	*37,415*
	35,010	*23,378*	*(21,660)*	*426*	*261*	*37,415*
CHARITY total funds	*36,824*	*24,853*	*(22,869)*	*600*	*35*	*39,443*
Non-charity trading funds	*37*	*185*	*(57)*	*-*	*(35)*	*130*
GROUP	*36,861*	*25,038*	*(22,926)*	*600*	*-*	*39,573*

26. FUNDS: NET ASSETS	Fixed Assets	Invest-ments	Other net current assets	Long term liabilities	Total net Assets at 31 Aug 2025
	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	464	25	-	489
	-	464	28	-	492
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	95	55	-	150
Bursaries funds	-	1,793	960	-	2,753
Development fund	-	-	328	-	328
	-	1,888	1,343	-	3,231
UNRESTRICTED FUNDS					
Prepaid fees	-	-	846	(846)	-
General fund	55,226	7,416	7,387	(32,015)	38,014
	55,226	7,416	8,233	(32,861)	38,014
CHARITY total funds	55,226	9,768	9,604	(32,861)	41,737
Non-charity trading funds	-	-	118	-	118
GROUP	55,226	9,768	9,722	(32,861)	41,855

Prior year comparative information	*Fixed Assets*	*Invest-ments*	*Other net current assets*	*Long term liabilities*	*Total net assets at 31 Aug 2024*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	468	25	-	493
	-	468	28	-	496
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	78	46	-	124
Bursaries funds	-	1,096	(37)	-	1,059
Development fund	-	-	349	-	349
	-	1,174	358	-	1,532
UNRESTRICTED FUNDS					
Prepaid fees	-	-	1,847	(1,847)	-
General fund	57,180	7,473	4,803	(32,041)	37,415
	57,180	7,473	6,650	(33,888)	37,415
CHARITY total funds	57,180	9,115	7,036	(33,888)	39,443
Non-charity trading funds	-	-	130	-	130
GROUP	57,180	9,115	7,166	(33,888)	39,573

27. FUNDS: EXPLANATORY NOTES

a) The Endowment fund represent amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources. Additional fee concessions and support are provided from the general fund.

During the year, a transfer of £741k has been made between the General Fund and the Bursaries Fund to update for the allocation between the Bursaries Fund and the General Fund in prior years.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the school's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes as funds are transferred to the General fund when spent.

f) The 'Capital fund'represented unspent donations raised for building projects – primarily the Music School. Amounts spent on the specific buildings have been transferred from the Capital fund to the general fund in the year the expenditure is incurred and the balance is zero at the year end due to the fact that the Music School and other projects are sufficiently advanced to have incurred the relevant expenditure.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments in government stocks and cash deposits are held against the future liabilities.

28. TRADING SUBSIDIARIES

The Trust holds 100 ordinary shares of £1 each, representing 100% of the issued share capital of Dragon School Trading Limited, a company incorporated in England and Wales. The value of the investment as determined by the equity method is £100. These shares are included on the parent company balance sheet as investments held as fixed assets:

	2025	*2024*
	£	*£*
Shares in subsidiary company at cost	100	*100*

The Trust advances working capital as necessary to the trading company to finance its operations. Interest is charged on the amount outstanding from time to time at the same rate as charged by the Trust's bankers.

The Trading company's results for the year, and balance sheet at the year end, from the audited accounts, are summarised below:

	2025	*2024*
	£'000	*£'000*
Turnover	234	*185*
Cost of sales	(99)	*(53)*
Gross profit	135	*132*
Administration expenses	(17)	*(2)*
Profit for the financial year	118	*130*
To be paid to Dragon School Trust Ltd under gift aid	118	*130*
Generated for parent company:		
Surplus above	118	*130*
Management charges from Trust	7	*3*
	125	*133*
Current assets		
Intercompany account	246	*183*
Current liabilities	(96)	*(11)*
Net assets	(32)	*(42)*
	118	*130*
Called up share capital	-	*-*
General reserves	118	*130*
	118	*130*

The Trust holds 1 ordinary shares of £1 each, representing 100% of the issued share capital of Dragon School International Ltd, a company incorporated in England and Wales. The value of the investment as determined by the equity method is £1. These shares are included on the parent company balance sheet as investments held as fixed assets:

	2025	*2024*
	£	*£*
Shares in subsidiary company at cost	1	*1*

Dragon School International was dormant during the year ended 31 August 2025.

29. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

	Unrestricted funds	*Restricted funds*	*Endowed funds*	*Total funds 2024*
	£'000	£'000	£'000	£'000
INCOME FROM:				
Charitable activities				
School fees	22,453	-	-	22,453
Other educational	38	-	-	38
Other ancillary trading	30	-	-	30
Other trading activities				
Non-ancillary trading	185	-	-	185
Investments				
Investment income	-	3	-	3
Bank and other interest	857	-	-	857
Voluntary sources				
Donations and legacies	-	1,472	-	1,472
Total income	23,563	1,475	-	25,038
EXPENDITURE ON:				
Raising funds				
Fundraising for voluntary resources	299	-	-	299
Trading	57	-	-	57
Other	136	-	-	136
Total costs of raising funds	492	-	-	492
Charitable activities				
Schools and grantmaking	20,190	1,209	-	21,399
Schools - financing costs	1,035	-	-	1,035
Total costs of charitable activities	21,225	1,209	-	22,434
Total expenditure	21,717	1,209	-	22,926
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)	1,846	266	-	2,112
Investment gains/(losses)	426	126	48	600
NET INCOME	2,272	392	48	2,712
Transfers between funds	226	(226)	-	-
NET MOVEMENT IN FUNDS	2,498	166	48	2,712
Fund balances at 1 September 2023	35,047	1,366	448	36,861
FUND BALANCES AT 31 AUGUST 2024	37,545	1,532	496	39,573

DRAGON SCHOOL TRUST LIMITED

England & Wales - Charity number 309676

Accounts



DRAGON SCHOOL TRUST LIMITED

GROUP ACCOUNTS FOR THE YEAR ENDED

31 AUGUST 2024

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Company number: 524331

Registered charity number: 309676

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COMPANIES HOUSE

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2024:
SUMMARY REVIEW BY THE CHAIR OF GOVERNORS AND HEAD

Summary Review by the Chair of Governors and Head

After many years of planning and fundraising, construction of the new Music & Performing Arts facility concluded under budget, and in time for the start of the Autumn Term in September 2024. The building has been named Skipper's, after the School's inspirational founding Head, Skipper Lynam. With the school delivering on average 750 music lessons per week, Skipper's will make a significant difference to opportunities available to our pupils. In addition, we very much look forward to the wider opportunities for outreach and social impact that the new building will provide. We have already seen the joy and shared benefit that music and drama can bring through our existing partnerships with primary schools. This new facility will serve to enhance the wider public benefit that Dragon School can enable.

The construction of Skipper's also enabled us to replace the adjoining astro turf and to improve the areas surrounding the building and Lane House. Other improvements across the estate included refurbishing 2 of our boarding houses, Strads and No14, as well as ongoing maintenance to all our properties.

We concluded the installation of solar PV across the estate during the period which, alongside our LED installation, are big steps towards our Net Zero goals. We continue to promote sustainable travel to our parents and colleagues and have invested in new bicycle shelters to improve the School's provision for cyclists. The Home to School Bus Service continue to grow over the year with the introduction of a 5th route. A 6th route and an afternoon service will be introduced from September 2025.

The Summer holiday also saw the School host a residential camp provided by Summer Boarding Course, as well as a day camp provided by Ultimate Activity Camps. Both proved hugely successful and the latter was of particular benefit to Dragon families.

Positive outcomes for each individual Dragon are central to every decision we take.
The pupil roll is strong and there has been a significant uplift in flexi boarding due to a shift in our offering. Our boarding strategy has ensured the Dragon remains the largest boarding community in the Prep Sector.

Highlights for this year include:

- Record number of scholarships to national schools 80+ in total across the disciplines: academic, music, art and drama.
- Our charity fundraising was in excess of £150,000 across the year through a mix of pupil and community led projects
- Outstanding co-curricular opportunities including an incredible production of Sister Act and Alice in Wonderland and an original script performed at the Edinburgh Fringe Festival. A consistently high rate of attendance for Quest our enrichment activity

programme on a Saturday morning, record numbers of sporting fixtures supported by the installation of a new astroturf.

- Development initiatives including a trip to Bangkok to engage with alumni as part of a menu of reunion opportunities.
- A growing programme of parent forums to support parents covering areas such as how to keep your child safe on-line to how to manage anxiety in younger children.

We published our Aims and Targets for 2024/5 and are available to see on our website https://www.dragonschool.org/the-school/aims-ethos/

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2024:
GOVERNORS, ORGANISATIONAL STRUCTURE, OFFICERS AND ADVISERS

Dragon School Trust Limited ("Dragon School" or "Trust") is a company registered under the Companies Act 2006 and a registered charity. It is a company limited by guarantee; the liability of members of the company is limited to £1 each. The Governors of Dragon School are trustees of the charity, and directors and members of the company. Those serving during the year are as follows:

C Alexander	F T	
M Breen	E G	(resigned 21 June 2024)
J C Edmondson	F T *	
Dr H R Gurprashad	S&MH *	
D C Goatman	F R&C *	
N L Helliwell	E M&A	
C I M Jones	F G SI Int +°	
S J Kerr-Dineen	E °	(resigned 30 November 2024)
Dr M Letts OBE	E SI	(resigned 7 November 2024)
N Millard	G S&MH	
N D Portwood	Int °	
R C W Rambaut	R&C +°	
I A Van Every	M&A R&C SI *	
W A Webb	F G °	
M Witherick	SI Int *	
P Cameron Watt	F Int °	(appointed 12 March 2024)
W Goldsmith	E	(appointed 18th October 2024)

Committee memberships and other groups (as at the end of year):

E	Education Committee	S&MH	Safeguarding & Mental Health Committee
F	Finance Committee		
G	Governance Committee	Int	International Committee
SI	Social Impact Committee	T	Dragon School Trading Ltd
M&A	Marketing and Admissions Committee	+	Old Dragon
		*	Current parent
R&C	Risk and Compliance Committee	°	Former parent

Board and Committees

The Board of Governors is a self-appointing body. Governors hold office for six years, whereupon they may be reappointed. Governors normally retire at the age of 70. There may be no more than 20 and no fewer than seven Governors. All committees and groups report to the main Board. The Board and other committees and groups routinely meet three times a year and at other times as necessary.

The Education Committee is the forum for all educational purposes and decision making in which Governors and staff participate equally.

The Social Impact Committee ensures the implementation of the School's SI strategy and programme. It is also responsible for approving all applications for means tested awards and grants on behalf of the Full Governing Body.

The Finance Committee has particular responsibility for the School's finances and financial strategy.

The Risk & Compliance Committee is the custodian of the School's risk strategy and management matrix. It is also the primary committee to consider the School's compliance obligations.

The Governance Committee, previously Nominations and Remuneration Committee, is tasked with reviewing the membership of the Governing Body, recommending new Governors for GB approval, and for reviewing the performance and remuneration of Head and Chief Operating Officer, reporting via the Chairman to the Board of Governors.

The Safeguarding and Mental Health Committee ensures Board-level review and responsibility for all safeguarding, mental health and pastoral matters; its remit also includes boarding.

The Marketing and Admissions Committee is responsible for ensuring a coherent approach to the School's pupil recruitment strategy

The International Committee comprises governors who are also directors of the newly formed Dragon School International Ltd. This group is responsible for the School's considerations relating to expansion overseas.

Advisors

The Trust appoints professional advisors to deal with specialist matters from time to time. All contracts are subject to periodic review as circumstances merit.

Architects:	TSH Architects	Oxford
Auditors:	Crowe U.K LLP	Cheltenham
Bankers:	Barclays Bank	Oxford
	Natwest Bank	Oxford
	Coutts & Co	London
Insurance brokers:	Marsh Brokers	Haywards Heath, West Sussex
Pension advisors:	Succession Wealth	Aylesbury, Buckinghamshire
Solicitors:	Freeths	Oxford
	VealeWasboroughVizards	London
Surveyors:	Ingleton Wood	Oxford

Registered office and address for correspondence:

Dragon School
Bardwell Road
Oxford
OX2 6SS

Web-site: www.dragonschool.org
e-mail contact: Bursar@dragonschool.org

The Head is E Goldsmith.

The Chief Operating Officer and Company Secretary is M R Johnson.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2024:
GOVERNORS' REPORT

The Governors present their annual report and audited accounts for the year ended 31 August 2024 in compliance with current statutory requirements for companies and charities and the company's Memorandum and Articles of Association. This report, together with the preceding pages, incorporates the information required for the directors' report and strategic report under the Companies Act. Comparative figures in the accounts are for the year ended 31 August 2023.

REFERENCE AND ADMINISTRATIVE INFORMATION

Dragon School was founded in 1877. It was incorporated in 1953 as a company limited by guarantee and registered at Companies House, number 524331. It is registered with the Charity Commission under charity number 309676. The Governors, principal executive officers and advisers, together with contact details for the School, are given on pages ii to iv.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Dragon School is governed by its Memorandum and Articles of Association dating from 1953 and last amended in November 2008.

Governing Body

Overall responsibility for Dragon School rests with the Governors, who are listed on page ii together with information regarding their tenure and committee membership.

Recruitment and training of Governors

New Governors are appointed at a meeting of the Board on the basis of recommendations made by the Governance Committee (GC). Recommendations are made following an interview process with members of the GC and on the basis of the requirements of the Board in terms of skills and expertise.

New Governors receive an introduction and induction led by the Chief Operating Officer on behalf of the Chair of Governors. This covers a range of information including general governance matters, together with more detailed discussions of strategic priorities and finances. Further opportunities to attend appropriate seminars and training events are offered when they occur.

Organisation and management

The Governors, as the trustees of the Charity, are legally responsible for the overall management and control of the School. The Board of Governors meets at least once a term, receiving reports from committees which meet with similar frequency.

The day to day running of the School is delegated to the Head and Chief Operating Officer, supported by the Senior Leadership Team and staff. Generally, the Head and Chief Operating Officer attend all Governors' and Committee meetings, except those of the Governance Committee and when restricted business is discussed.

Key Management

Key management personnel are defined as the Head, Chief Operating Officer, Head of Pre-Prep and the Deputy Heads.

Remuneration

Remuneration is set by the Governing Body with the overall objective of ensuring appropriate recognition and incentive to encourage exceptional performance. Remuneration must be fair and responsible, and the appropriateness of the School's remuneration is reviewed periodically; this includes benchmarking with other schools in both independent and maintained sectors. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to develop and grow.

Group structure and relationships

Dragon School has a wholly owned trading company, Dragon School Trading Limited (company number 1379919), which is used to generate income for the School through the hire of facilities, the sale of Dragon-related souvenirs and second-hand clothing. All residual profits are paid to the Trust under gift aid.

Dragon School International Ltd (company number 15782163) was incorporated on the 16th June 2024 and is a wholly owned subsidiary of the Dragon School Trust. Dragon School International Ltd's objects are to expand the Dragon School's provision of education to children and young adults internationally. This company was dormant for the period ending the 31st August 2024.

For many years the Dragon School has had a relationship with the 'Lynam Educational Fund' (274993) whose objects included assistance with school fees in cases of need. On the 7th November 2023, The Lynam Educational Fund passed a deed of gift transferring all the Fund's assets to the Dragon School. The deed requires the Dragon School to hold the Gift as part of the School's Restricted Bursaries Fund and to be applied for the sole purpose of providing fee support for pupils at the School. The value of the gift is shown in the accounts as £672,516.

Dragon School continues to have a relationship with 'The Dragon Christmas Charity Sale' (1106073), which raises money for charities helping children and families. The School provides support in the form of staff time to these charities but, as the School does not control this charities, its activities and financial results are not included within these reports and accounts, except to the extent that it has donated to the School.

The School actively supports the independent schools' sector, and contributes to the furtherance of educational standards and the quality of pastoral care, through participation in and subscription to umbrella organisations such as IAPS and BSA and through exam setting and curriculum review processes. The School has also developed links with a number of schools and charities overseas both through regular contacts and as opportunity and need arise.

The School continues to promote the use of its facilities at a discounted rate or, where appropriate, gratis, for wider public benefit. This includes the use of playing fields, astro-pitches, Lynam Hall and music facilities by local schools and other community groups and charities and, in particular, those involved in educational or child-related activities.

CHARITABLE OBJECTS, AIMS AND OBJECTIVES

Charitable objects

Dragon School's charitable objects are set out in the Memorandum and Articles of Association. The primary object is to advance the education of the public by acquiring and carrying on any school or schools for the education of children and young adults and by ancillary or incidental educational activities and other associated activities for the benefit of the community. In pursuit of these objects the School operates the Dragon Prep School at Bardwell Road for boys and girls from 8 to 13 years old and the School's Pre-Prep, Dragon Pre-Prep, on a separate site. Dragon Pre-Prep takes boys and girls from the age of 4.

In setting the School's objectives, and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit as updated in September 2013. The School's commitment to providing financial support to pupils whose parents could not otherwise afford to consider a Dragon education predates the 2006 Charities Act and subsequent guidance from the Charities Commission. The pursuit of wider access to the School is held to be of benefit to all Dragon pupils. To support with these goals, the School manages a number of restricted funds to be used in connection with the development of the School's facilities, and the provision of Bursaries, prizes and other educational purposes.

Aims

The Dragon intends to provide a wide-ranging educational experience for all children, stretching all to the best of their respective abilities in academic, artistic, sporting, cultural and social activities. Although excellence is achieved by pupils in many fields, particularly academic, the School is most proud of its liberal ethos, the inclusivity of its educational provision and its pastoral care for all. In addition, the School aims to play a full and effective part in its local community.

Objectives for the year

The Dragon's primary objective this year was to continue to provide the best possible education and care for each and every pupil, ensuring that those leaving for other schools achieve the places desired. In addition, the School has sought to widen access and increase its social impact.

Strategies used to achieve the year's objectives

The School continues formal self-reviews of all areas of operation so as to improve methods and procedures, particularly of teaching and pastoral care, but additionally in the process of monitoring and assessing its own procedures. Specialist external reviews are also sought when deemed valuable. Specific coaching was provided to leavers tailored to the schools of their choice, and the pupils' abilities, to ensure their applications were successful.

The school monitors several key performance indicators throughout the year to assess performance against objectives, including, but not limited to, monitoring success in reaching first choice school, average set size, number of extra-curricular music and drama lessons taken, academic and other awards achieved and results achieved at CE, including number of high performing results.

POLICIES

Grant making

The School is particularly sensitive about the costs associated with delivering first class education, and seeks to extend its facilities as far as possible to those who might not otherwise be able to afford such an education. In particular it continues to carry out specific fund-raising to enable means-tested Bursaries to be awarded, in appropriate circumstances, which cover all or nearly all of the fees. Currently the School provides up to 25 Bursary places at up to 100% grant under its '125th anniversary' scheme. Other awards are made with respect to short-term hardship arising from significant life-changes.

In general, grants are made from the Bursaries, general and other specific funds to provide financial help with the fees. Where significant financial help may be required, the School consider all circumstances involved in a grant application. This might include, where appropriate, means testing, interviews and home visits, with a view to making grants as fairly and as effectively as possible. All grants are made subject to annual review. Governors hold the responsibility to endorse all recommendations for fee assistance.

Risk management and key risks

The Governors are responsible for ensuring the management of the risks faced by the Dragon. This is delegated to the Risk and Compliance Committee, who review regularly a summary of the primary strategic risks thought most likely to materialise or have the greatest effect, together with the actions to mitigate those risks. The process followed is one of mitigating all gross risks, through testing the School's processes, policies and procedures, so that the net risk is understood and further managed by the School. On an operational basis, this is managed by the Senior Leadership Team and School's Compliance Officer.

Risk mitigating controls

The highest priority is placed on appropriate controls and processes to mitigate risks. Strict adherence to safer recruiting protocols, staff training, and a climate of open communication are fundamental to mitigating safeguarding risks in our School. Operational finance risks are mitigated through in-house oversight and checking. More broadly, risks associated with The Dragon's borrowings of greater than 1-year were mitigated through appropriate hedging financial instruments where appropriate. Considered financial planning, together with comprehensive management accounting, reporting and budgetary control, ensures the School maintains adequate reserves. Robust governance, strong policies, and effective communication (both internal and external) underpin the School's overall risk mitigation strategy. Internal monitoring of the School's risk and compliance is led by the Compliance Officer on behalf of the Chief Operating Officer and Head.

Reserves

The Governors review the restricted and designated reserves regularly. The specific objects of restricted funds are as follows:

a) The Endowment fund represents amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997. The reserve stood at £3k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries. The reserve stood at £493k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources. The reserve stood at £124k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources. Additional fee concessions and support are provided from the general fund. The reserve stood at £1,059k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even

apparent restrictions with respect to the School's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes. The reserve stood at £349k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

f) The 'Capital fund' represents unspent donations raised for building projects – primarily the Music School. Amounts spent on the specific buildings are transferred from the Capital fund to the general fund in the year the expenditure is incurred. The reserve stood at zero at the end of the year as the building work relating to the donations made to the fund had progressed sufficiently.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments and cash deposits are held against the future liabilities. The reserve stood at zero at the end of the year as the aim is for the assets to match the liabilities.

None of the restricted funds are limited by their objects as to the expenditure of capital except the Endowed Bursaries and Endowment funds. All surpluses together with borrowings, eg bank loans, are reinvested to improve the School's resources. Comparative financial information for the funds can be found in notes 25 & 26.

At the year end the School had a deficit in free reserves of £19,765 mainly represented by land and buildings, which have been financed by the School's accumulated surpluses and supplemented by bank borrowings. In the absence of free reserves, working capital and cash flow are monitored closely. The Governors' policy is to continue building up reserves out of operating surpluses, subject to the requirements for further capital expenditure. The School's working capital is considered to be sufficient to meet its liabilities as they fall due.

Investment

The Trust's investment powers are governed by its Memorandum and Articles of Association. These permit funds to be invested in such investments, securities or property as may be thought fit. The School invested more of its general funds during the year. As these assets are intended to perform over a relatively long term period, targets will be set based on performance of the funds against comparators over a rolling three year period, with comparisons made against alternative investment vehicles each full year.

Prepaid fees funds are invested at the School's discretion in cash deposits or Government stocks so as to match individual schemes' requirements.

Investments performed as expected during the year, with total gains of £600k; in line with comparable indices.

Section 172 of the Companies Act 2006

The Governors confirm that all relevant issues, factors and stakeholders have been included in this report. They further confirm that regular engagement by Governors has ensured that issues are clearly understood and regular meetings continue to take place. Further, they confirm that key decisions are made with appropriate input and guidance from the Governors.

Disabled applicants and staff

The School makes inclusion a thread which runs through all its activities. Dragon School seeks to engage with the widest possible range of knowledge, skill and experience in all its activities. The School's policies, therefore, facilitate the employment of disabled people and the provision where appropriate of training and career development. Were an employee to become disabled whilst in service, every effort would be made to retain them.

Communication with staff

Governors place considerable importance on informing all staff of financial and other matters that affect them, consulting with them where appropriate. The Head and Chief Operating Officer report the outcome of Governors' meetings to staff through the School's formal management structure. All other such matters are briefed to staff as they arise through regular staff meetings.

Staff are encouraged to discuss matters of concern within the staff meetings and any feedback is discussed with the Deputy Heads, Head, Chief Operating Officer and Governors as appropriate. This can then influence school policy in a number of areas.

Relationship with parents and pupils

Dragon School considers its relationship with its parents and pupils to be of the utmost importance. The School prides itself on its open and transparent communication with its parents and pupils and never has this been more important than during the pandemic.

Dragon School issues regular bulletins on a weekly and termly basis and utilises social media to communicate with agility. Parents are encouraged to approach the School as required to ensure effective two-way communication.

Fundraising

During the year, the charity undertook fundraising activity with its supporters via direct mail, fundraising events and email in line with the Fundraising Code of Practice set by Fundraising Regulator.

When you support you can be sure of the following:

- We will never sell your contact details to anyone;
- We will only contact you if you have expressed an interest in our work;

- If we phone you, we will always check you are happy to take the call;
- If you ask us to change how we communicate with you, or stop, we will respect that;
- We do not engage in cold-calling, door to door or street fundraising;
- We try hard to ensure no one ever feels pressurised to support our work;
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice;
- All our activities are open, fair, honest and legal.

The charity did not work with any fundraising partners in the academic year 2024.

The charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. We did not receive any complaints about fundraising in 2024.

Dealing with suppliers

Dragon School prides itself on working collaboratively with its suppliers, both large and small. The School has introduced a system to monitor supplier payment terms.

Carbon Reporting

As part of our new reporting requirements, the School has reviewed its greenhouse gas emissions and energy use data to compile a report to meet the SECR reporting requirements. The overall consumption of fossil fuels, direct and indirect, can be summarised as equivalent to production of an amount of carbon dioxide ('CO2e'), measured in tonnes. To do so we have used HM Government's environmental reporting guidelines, the GHG Reporting Protocol and HM Government's 2024 conversion factors for company reporting, and then expressed the tCO2e per pupil.

The table below summarises the energy use relating to electricity, gas combustion and transport.

Electricity use	1,266,680 (*2023: 1,232,224)* kWh
Gas Combustion	3,340,985 (*2023: 3,488,665)* kWh
Transport	41,269 (*2023: 40,749)* kWh
Total	4,648,934 (*2023: 4,761,638)* kWh

The greenhouse gas emissions associated with the energy use identified in the table above are as follows:

Electricity use	261.0 (*2023: 255.1)* tCO2e
Gas Combustion	611.1 (*2023: 628.0)* tCO2e
Transport	9.7 (*2023: 9.6)* tCO2e
Total	884.8 (*2023: 892.7)* tCO2e

The School consumed an average of 1.10 (*2023: 1.12*) tCO2e/pupil based on 805 (*2023: 800*) pupils.

The majority of the change came from gas consumption, which is related to weather and temperature during the year. The Dragon is committed to reducing its carbon footprint and is moving towards a Net Zero position through a number of workstreams.

STRATEGIC REPORT

The School provided education to its pupils in accordance with its stated aims and motto *arduus ad solem*. Demand for places continues to be high, in large part due to the recognised high standards achieved by the School. During the year the School had (on average) 808 pupils in total between the Prep school and Dragon Pre-Prep.

The School was inspected by the Independent Schools Inspectorate (ISI) in December 2022 and the achievement of the pupils, including their academic development, and the personal development of the pupils was judged to be Excellent (the highest possible descriptors). The inspection also included a Regulatory Compliance element and the School was assessed as meeting the requirements in every respect. The full text of the inspection report can be found here:

https://www.isi.net/reports/?name=Dragon%20School

IN-YEAR ACHIEVEMENTS

Teaching numbers boast around 750 music lessons a week across wide-reaching disciplines. These cover the full complement of western classical instruments as well as pop instruments and Music Tech.

Our ensembles and pre-select music groups programme continues to thrive with 60 music groups running weekly across both sites. This gives a full range of styles and abilities over all our year groups. Singing is once again running at capacity with our year group choirs well subscribed and our pre-select choirs bursting at the seams. We are taking the choir on tour to Berlin this year and the tour filled up on the first day of booking.

During the school year pupils took 238 music exams in total. Of these 43 were at Grade 5 or above on many different instruments, with an average of a 99.6% exam pass rate. 43% of our pupils achieved distinctions and 42% achieved merits.

Musical outreach events are still very much a priority for us. Our Gamelan Days are proving a great success with local primaries and is a termly fixture in our calendar. Last year we were able to host a specialist SEN school which proved rewarding both for them and for our Dragons. Our DragonPhil Days (this year catering for Wind and Brass) are also a popular annual event.

In Games, too, the School's vision of making sport accessible to everyone was embraced enthusiastically by Dragons themselves with our aim being that every child has the chance to represent the School in each major termly sport. There are a variety of other sports available for the children to participate in all year round with a breadth of activities on offer through our clubs' programme in addition to the curriculum sport.

We provide extensive opportunities for the pupils to represent the school at all levels regularly have over 30 different teams playing on a match day, with our more senior sides playing fixtures on arguably the most competitive Prep-School circuit around. Furthermore, a number of Dragons earn

representative honours at district, county and regional level in an increasing number of sports, realising the School's twin aims of promoting both participation and excellence.

Our leaving pupils sat Common Entrance in School again, achieving 75% A&B Grades – an excellent comparison to previous years. Our leavers gained 82 awards to their senior schools, a School record in recent times, including 38 academic Scholarships or Exhibitions.

The Dragon's Social Impact programme aims to teach children about service, philanthropy and social entrepreneurship, inspiring them to think openly and critically about global issues. Pupils are the driving force behind this activity, and every child is involved at some level during the year. Our three School Charities of the Year are voted for by the pupils and each year group holds a fundraising event during the academic year, from plant and cake sales to sporting challenges. This framework allows children to develop deeper knowledge of their chosen charities through sustained engagement. Children are also invited to nominate charities for support from the annual Dragon Christmas Charity Sale, in which they actively participate by running stalls.

Assemblies and Spectrum events give children the opportunity to learn more about charitable and social initiatives, and these subjects are also woven into the curriculum where possible. Our A Block (Year 8) Social Impact Ambassadors and Pre-Prep Changemaker Champions help to organise, support and promote our activities across the year.

The School is maintaining progress with improving its infrastructure. With Skipper's, our new Music & Performing Arts centre, having completed in September 2024, we continue with our refurbishment programme for our boarding houses and developing plans to make significant enhancements to the Pre-Prep.

The Pre-Prep, on a separate site to the North of Summertown has around 215 pupils at the start of their education. Here the foundations are laid in all areas of school life supporting the successes Dragons achieve throughout their time at the school. Play facilities have recently been upgraded providing exciting spaces for the children to develop physically and socially and the IT infrastructure and equipment have been invested in to provide integrated learning opportunities across the curriculum.

Operational performance – Key Performance Indicators

- 100% of leaving children passed to their school of choice.
- 75% of Common Entrance papers were graded A or B
- 82 academic, music, art, sporting and all-round awards were made to Dragon pupils by their secondary schools.
- Fee income was £22,453k
- Donations and legacies were £1,472k
- Staff costs were £12,619k

Operational performance – Widening Access and Social Impact

a) Bursaries and other grants:

Bursaries are at the heart of the Dragon's public benefit provision. The Dragon has a target of 25 Bursary awards across the School in the academic year and new grants per year have been awarded each year to try to meet this target. Bursary awards (day and boarding) were on average just over 75% of the fees at a cost to the School this year of £584k (*2023: 345k*); a range of other grants including staff, hardship and scholarship totalling a further £716k (*2023: £829k*) were awarded between 49 other pupils.

b) Social Impact:

Our goal is to be pioneers in the area of social impact. As a school, we aim to develop curious and empathetic pupils who understand the local and global challenges facing society today. And as a whole organisation, we aim to undertake positive action to help address and alleviate those challenges. This is built into our curricular and co-curricular activities, and every Dragon pupil is involved in our Social Impact programme.

c) Educational:

Partnership with 'Lumina' tutoring, offering free of charge tutoring for children in care; surplus equipment is donated to other schools or charities; some members of Dragon staff act as governors on local and IEB boards; other links and ideas are built into the curriculum through visits, demonstrations, lectures and debates.

d) Music, Sport and Arts:

Dragon musicians have played and sung in public at a variety of charities. International visitors have provided sporting as well as musical interaction. In addition, a range of local schools, charities and local groups and clubs continue to use the School's facilities when available. The provision of facilities for these purposes is valued at an approximate £22k (at the normal discounted rates for charitable use).

e) Community:

During the year pupils raised funds for the three School Charities of the Year through wide-ranging entrepreneurial activity. In addition, the Dragon Christmas Charity Sale distributed funds for various charities from proceeds of the sale held at the end of the Christmas term on the School's premises, run by the parents with the assistance of pupils and staff. Children and parents are also encouraged to donate food to the two Dragon Larders at the Prep and Pre-Prep sites, with over 100 boxes of food and essentials distributed to local food banks and community centres during the year.

Operational performance – Fundraising

The School raised £799k (*2023: £539k*) to further its activities this year, comprising donations from current parents, Old Dragons and former parents. The focus of our fundraising continued to be the Transformational Bursary Programme and the Music and Performing Arts Centre, now known as

Skipper's. Funds were raised through a range of means, including targeted email appeals, face-to-face meetings and events.

On the 7th November 2023, The Lynam Educational Fund passed a deed of gift transferring all the Funds assets to the Dragon School. The deed requires the Dragon School to hold the Gift as part of the School's Restricted Bursaries Fund and to be applied for the sole purpose of providing fee support for pupils at the School. The value of the gift is shown in the accounts as £673k and is included in the Bursaries figure in note 7 to the accounts.

Operational performance – Financial

The Trust's accounts reflect its general success as a school; this underpins the School's ability to service the private placement which finances the work of the School and replaced the initial financing to purchase the School's freehold.

Any operating surplus generated by the School is invested in the major capital projects needed to keep the School at the forefront of preparatory education, and in the provision of subsidised education for children otherwise unable to attend such a school. Inevitably, the demand for capital investment continues to exceed available resources and in setting the fees the Governors have to balance accessibility and fairness to current parents with the investment requirements of a leading school. The School is increasingly reliant on fundraising for capital projects.

Fee income increased during the year due to an increase in the fees, related to increased inflationary pressures seen in the UK. During the year £22,453k (*2023: £20,112k*) was generated from fees, 90% of its total income of £25,038k (*2023: £21,529k*).

The other significant element of income is donations and legacies of £1,472k (*2023: £539k)*

The greatest part of the Trust's expenditure is on staff costs which at £12,619k (*2023: £11,585k*) represent 55% (*2023: 57%*) of expenditure; and of these staff costs, £9,305k (*2023: £8,670k*) are spent on teaching, with an additional £1,340k (*2023: £1,536k*) on welfare and pastoral functions.

Finance costs remain significant at £1,035k payable (*2023: £1,047k*), mostly as interest on the School's Private Placement issued Notes. Other non-staff costs include direct expenditure on teaching of £1,206k (*2023: £1,195k*), premises of £2,305k (*2023: £2,289k*) and welfare of £2,627k (*2023: £2,474k*). Virtually all these costs, staff, finance and other, which are necessary for the charity to meet its objects, represent semi-fixed overheads.

The School spent £10,160k (*2023: £6,641k*) on fixed assets. This is mainly represented by the continued investment in the new Music & Performing Arts building, the building of which was completed and certified shortly after the year end and officially opened in early September 2024. Numerous smaller equipment purchases, some funded by donation, have been made throughout the teaching and boarding areas.

The Trust's balance sheet is dominated by the net book value of its fixed assets, mainly freeholds and buildings in progress, of £57,180k (*2023: £47,823k*), including, in particular, the main site purchased in January 2007 for £29,733k. The School's Private Placement was successfully issued in 2022 and this forms the largest part of the liabilities at £30,000k *(2023: £30,000k).* The other fixed assets are long term investments valued at £9,115k (*2023: £4,715k*). The increase in long term investments is largely due to a further £3.8m investment in a fund that aims to provide a long- term return comprising of growth in capital and income. This investment will be used to settle the Private Placement debt when it becomes due for repayment. The current assets are comprised primarily of cash at £12,860k (*2023: £21,381k*) which offset the creditors due within one year of £7,353k (*2023: £5,677k*) which are chiefly comprised of pupil deposits and fees received in advance relating to pupils.

Going concern assumptions

The Governors closely monitor the current and future expected financial performance of the School, taking into consideration budgets, forecasts and the longer-term strategic business plan. Cashflows and forecasts are regularly remodelled to reflect possible downside scenarios. Reviews carried out have confirmed that the cash reserves of the School are adequate to meet the charity's obligations as they fall due and that the School is financially secure and able to operate effectively for the foreseeable future.

The School continues to report a strong cash position as the year end together with healthy pupil numbers for 2023/24 and 2024/25 giving the Governors confidence that the charity has adequate resources to continue its activities for the foreseeable future, being at least 12 months from the date of approval of the financial statements.

Future plans

The School reviews its strategic framework regularly. With our 150th Anniversary falling in 2027, we look forward to launching our refreshed strategy of *2027 and Beyond.* This will encompass aims and objectives across the 3 strands of Campus, Curriculum and Community

Academic Development:

- To raise a generation of Dragons who are academically rigorous, creative, independent and ambitious free thinkers. To be a market leader in prep school education through curriculum design, professional development of teaching staff and partnerships (please see the annual strategy document for our yearly targets).

Pastoral Development:

- Create structures within the School that assist children, staff and parents to develop clear identities.
- Maximise all opportunities in the School to help provide children with the social skills to develop positive relationships with others.

- Ensure that parents are fully involved in the School's pastoral and welfare initiatives.
- Develop training at all levels to help children, staff and parents develop strategies for understanding and promoting good pastoral care.

ICT Development:

- Implement a digital strategy to provide staff and pupils with an effective and efficient teaching and learning platform at School and at home.
- Ensure a safe and secure ICT environment for the Dragon community.
- Further enhance the School's cyber-security posture and resilience.
- Further progress the School's transition to a cloud managed environment.

Social Impact and Public Benefit:

- Increase the impact of the Transformational Bursary Programme through larger awards.
- Establish the School as a recognised leader in pupil-led service and social entrepreneurship.
- Work closely with partner schools to develop initiatives that enhance existing provision.
- Reflect sustainable development through policy and practice at all levels.

Facilities Development:

- To continue the School's progress towards net zero
- To continue a refurbishment programme for the School's boarding houses
- To provide residential accommodation to allow the School to recruit and retain the best possible staff.
- To redevelop the EYFS area to provide a more open plan and welcoming teaching and play space for our youngest Dragons.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report 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 Trust and its subsidiary ('the group'), and of the result of the group for that year.

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.

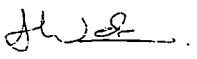
The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust and subsidiary's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and subsidiary and enable them to ensure that the financial statements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

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

- there is no relevant audit information of which the group's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors are grateful for the tremendous parental support for the School in achieving all that it does. It is the commitment of parents, the leadership of the Head, the effort put into caring for the pupils by the staff, and the energy of those pupils, and the dedicated work of the support staff in all their fields of expertise, which make the School what it is today and enables it to face the future with confidence.

This Governors' Report, which incorporates the Strategic Report, was approved by the Governors and signed on their behalf by:



Andrew Webb, Chairman 21st March 2025

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2024:
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DRAGON SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Dragon School Trust Limited ('the charitable company') and its subsidiary ('the group') for the year ended 31 August 2024 which comprise consolidated statement of financial activities, group and charity balance sheets, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in

the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

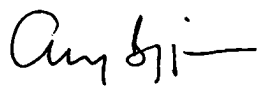
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within bursaries, scholarships and other discounts, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly

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

Use of our report

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



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James' Square
Cheltenham
GL50 3PR

Date: 02 April 2025

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2024:
GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2024	*Total funds 2023*
		£'000	£'000	£'000	£'000	£'000
INCOME FROM:						
Charitable activities						
School fees	2.	22,453	-	-	22,453	*20,112*
Other educational	3.	38	-	-	38	*39*
Other ancillary trading	4.	30	-	-	30	-
Other trading activities						
Non-ancillary trading		185	-	-	185	*54*
Investments						
Investment income	5.	-	3	-	3	*4*
Bank and other interest	6.	857	-	-	857	*781*
Voluntary sources						
Donations and legacies	7.	-	1,472	-	1,472	*539*
Total income		23,563	1,475	-	25,038	*21,529*
EXPENDITURE ON:						
Raising funds						
Fundraising for voluntary resources		299	-	-	299	*352*
Trading		57	-	-	57	*6*
Other		136	-	-	136	*48*
Total costs of raising funds		492	-	-	492	*406*
Charitable activities						
Schools and grantmaking		20,190	1,209	-	21,399	*18,974*
Schools - financing costs	9.	1,035	-	-	1,035	*1,047*
Total costs of charitable activities		21,225	1,209	-	22,434	*20,021*
Total expenditure	8.	21,717	1,209	-	22,926	*20,427*
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		1,846	266	-	2,112	*1,102*
Investment gains	15.	426	126	48	600	*64*
NET INCOME		2,272	392	48	2,712	*1,166*
Transfers between funds	25.	226	(226)	-	-	-
NET MOVEMENT IN FUNDS		2,498	166	48	2,712	*1,166*
Fund balances at 1 September 2023		35,047	1,366	448	36,861	*35,695*
FUND BALANCES AT 31 AUGUST 2024		37,545	1,532	496	39,573	*36,861*

All activities are continuing. No separate income and expenditure account as required under the Companies Act 2006 has been presented, as there are no differences between that and the Statement of Financial Activities presented above. The notes on pages 9 to 25 form part of these accounts.

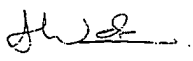
DRAGON SCHOOL TRUST LIMITED ANNUAL REPORT AND ACCOUNTS 2024: GROUP AND CHARITY BALANCE SHEETS AT 31 AUGUST 2024

	Note	Group		Charity	
		2024	*2023*	2024	*2023*
		£'000	*£'000*	£'000	*£'000*
Fixed assets					
Tangible assets	12.	**57,180**	*47,823*	57,180	*47,823*
Investments	15.	**9,115**	*4,715*	9,115	*4,715*
		66,295	*52,538*	66,295	*52,538*
Current assets					
Stock	13.	**1**	*7*	-	*6*
Debtors	14.	**1,658**	*783*	1,632	*764*
Cash at bank and in hand	16.	**12,860**	*21,381*	12,714	*21,379*
		14,519	*22,171*	14,346	*22,149*
Creditors: due within one year	17.	**(7,353)**	*(5,677)*	(7,310)	*(5,690)*
Net current assets		**7,166**	*16,494*	7,036	*16,459*
Total assets less current liabilities		**73,461**	*69,032*	73,331	*68,997*
Creditors: due in more than one year	18.	**(33,888)**	*(32,171)*	(33,888)	*(32,171)*
Total net assets	26.	**39,573**	*36,861*	39,443	*36,826*
Endowment funds		**496**	*448*	496	*448*
Restricted funds		**1,532**	*1,366*	1,532	*1,366*
Unrestricted funds		**37,545**	*35,047*	37,415	*35,012*
Fund balances	25.	**39,573**	*36,861*	39,443	*36,826*

The notes on pages 9 to 25 form part of these accounts.

In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Dragon School Trust Limited. The Trust net income for the year was £2,617k (*2023: £1,195k*).

The financial statements were approved and authorised for issue by the Board of Governors On 21st March 2025 and were signed below on its behalf by



Andrew Webb, Chairman

21st March 2025

Company number: 00524331

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2024:
GROUP STATEMENT OF CASH FLOWS

	Note	2024		2023	
		£'000	£'000	*£'000*	*£'000*
Net cash inflow from operations	(a).		2,873		*3,855*
Cash flows from investing activities					
Interest paid		(1,023)		*(1,036)*	
Interest received		857		*781*	
Receipts from disposals of fixed assets		29		*5*	
Receipts from disposals of investments		-		*63*	
Payments for investments		(3,800)		*(1,600)*	
Investment income receipts		3		*4*	
Payments for tangible fixed assets		(10,160)		*(6,641)*	
Net cash used in investing activities			(14,094)		*(8,424)*
Cash flows from financing activities					
Receipts from prepaid fees scheme		3,409		772	
Payments from prepaid fees scheme		(709)		*(720)*	
Net cash used in financing activities			2,700		*52*
Change in cash and cash equivalents in the reporting period			(8,521)		*(4,517)*
Cash and cash equivalents at the beginning of the reporting period			21,381		*25,898*
Cash and cash equivalents at the end of the reporting period			12,860		*21,381*

Charity law requires separate administration of the cashflows of endowed and other restricted funds of the Trust. This constraint has not adversely affected group cashflows as stated above.

a) Reconciliation of net income to cash flow from operating activities	2024 £'000	*2023 £'000*
Net income	2,712	*1,166*
Investment (gains)	(600)	*(64)*
(Gains) on disposal of fixed assets	(29)	-
Interest payable	1,035	*1,047*
Interest receivable	(857)	*(781)*
Investment income	(3)	*(4)*
Depreciation charges	803	*665*
Decrease ins stocks	6	-
Decrease/(increase) in debtors	(875)	*469*
Increase in creditors	681	*1,357*
Net cash inflow from operating activities	2,873	*3,855*

b) Analysis of cash flows and net debt

	1 Sept 2023	Cashflow	Other movements	31 Aug 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	21,381	(8,521)	-	12,860
Debt: bank loans	(30,000)	-	-	(30,000)
	(8,619)	(8,521)	-	(17,140)

The notes on pages 9 to 25 form part of these accounts.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2024:
NOTES

1. ACCOUNTING POLICIES

a) General information
The School is a Public Benefit Entity, registered as a charity (charity number: 309676) and company limited by guarantee (company number: 524331). The School's registered office address is: Dragon School, Bardwell Road, Oxford, OX2 6SS.

b) Basis of accounting
The accounts are prepared under the historical cost convention as modified by the revaluation of listed investments, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Second Edition, Effective 1 January 2019.

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 functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates. The balances in the accounts are rounded to the nearest thousand.

c) Consolidation/ group accounts
The Trust has beneficial ownership of 100% of the share capital of Dragon School Trading Limited and 100% of the share capital of Dragon School International Ltd. The group accounts consolidate the results of these subsidiary, which are summarised in note 28. As the subsidiaries pays any taxable profits to the parent, the surplus dealt with in the parent company's accounts is identical to that shown on the group income and expenditure account. The Trust's Governors represent the ultimate controllers of the group.

d) Critical accounting judgements and estimates and key sources of estimation uncertainty
In the application of these accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. The Governors consider the following items to be areas subject to estimation and judgement:

Depreciation:
The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Although tangible fixed assets are significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically, no changes have been required.

1. ACCOUNTING POLICIES (continued)

Impairment of debtors:
The School makes an estimate of the recoverable value to trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's accounts.

e) Income – fees and similar income
Income is recognised, in general, only with respect to the period of account and are stated after deducting Bursaries, scholarships and other remissions allowed by the School. Fees paid with respect to future terms are carried forward as liabilities; and donations of any sort are included only when resources are irrevocably transferred. School fees include extras. Other Educational Income primarily consists of registration fees and income from the hiring out of some of the school's facilities at certain times during the year. Income from such sources is recognised over the period in which the relevant service is delivered.

f) Income – donations
Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Donations received for the general purposes of the School are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are credited to the relevant Restricted Funds or Endowment Funds.

g) Income - legacies
Legacies are recognised and credited directly to the statement of financial activities based on the earlier of the settlement of the estate and issue of Estate Accounts, or receipt of payment.

h) Income – investments
Interest is included on an accruals basis. Dividends from investment funds are included as receivable on the due dates.

i) Expenditure
With respect to resources expended running the school, 'property' includes costs of maintaining the buildings used for educational purposes, while 'welfare' include boarding and catering costs; 'support' represents other costs of servicing the direct teaching function, including governance costs. Irrecoverable VAT is included with the item of expense to which it relates in all cases. Overheads and other costs not directly attributable to a functional activity are apportioned on the basis of management estimates consistently applied.

Redundancy and termination costs only occur where absolutely necessary and are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

j) Fund accounting
The School has three types of funds

- Restricted - where the purpose for which the funds may be used has been restricted by donors;
- Endowment - where the capital is held in perpetuity to generate distributable income; and
- Unrestricted - where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted but the Governors have designated them for a specific purpose.

1. ACCOUNTING POLICIES (continued)

k) Tangible fixed assets

Land and buildings are shown at original cost. Fixtures and fittings are capitalised when they are included in the provision of additional facilities, such as when a building is extended or converted; other fixtures and fittings are charged to revenue in the year of purchase. Equipment costing over £1k is capitalised.

Depreciation is provided on all assets other than freehold land. Assets under constructions are not depreciated until they are completed and brought into use. Freehold buildings are amortised on a straight line basis, taking into account their estimated residual value, which in the case of education-specific buildings is considered negligible but in the case of residential property is expected to approximate their original costs. Leasehold land and buildings are amortised over the period of the lease. With respect to other assets depreciation is provided at straight line on cost.

The estimated lifetimes of various types of assets in use are:

Freehold buildings	50 years
Other	3-10 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

k) Operating lease rentals

Rentals paid under operating leases are charged to the Statement of Financial Activities (SoFA) on a straight line basis over the period of the lease.

l) Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Gains and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses are calculated as the difference between sale proceeds and opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value of investments at the year-end and their carrying value. Realised and unrealised investment gains and losses are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investment subsidiaries are valued at cost less provision for impairment.

m) Stock

Stock of consumables held at the year-end are valued at cost, subject to their usability. Stock held for resale is valued at the lower of cost and net realisable value. Purchases of educational materials for the next academic year are carried forward as prepayments.

n) Debtors

Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

o) Cash at bank and in hand

Cash at bank and in hand includes cash and deposits with a short term maturity of six months or less from the date of opening the deposit account.

1. ACCOUNTING POLICIES (continued)

p) Creditors
Creditors are recognised where the School has a present obligation arising 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 reliably. Amounts are recognised at their settlement amount.

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

Financial assets / liabilities held at fair value through the profit or loss comprise derivatives. Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the SoFA as a fair value movement. The School does not currently apply hedge accounting for interest rate swap derivatives.

r) Pension costs
Pension costs represent contributions under defined contribution schemes' costs in the current year.

2. CHARITABLE ACTIVITIES - SCHOOL FEES	2024	*2023*
	£'000	*£'000*
School fees and extras	22,544	*20,941*
less scholarships, Bursaries and grants	(1,300)	*(1,174)*
	21,244	*19,767*
Bursaries paid from restricted funds	1,209	*345*
	22,453	*20,112*

3. CHARITABLE ACTIVITIES – OTHER EDUCATIONAL	2024	*2023*
	£'000	*£'000*
Registration fees	36	*39*
Courses & conferences	2	-
	38	*39*

4. CHARITABLE ACTIVITIES – ANCILLARY TRADING	2024	*2023*
	£'000	*£'000*
Fund raising	1	
Profit on sale of fixed assets	29	-
	30	-

5. INVESTMENT INCOME	2024 £'000	*2023 £'000*
Listed and other investments	3	*4*
	3	*4*

6. BANK AND OTHER INTEREST	2024 £'000	*2023 £'000*
Bank interest	806	*757*
Other	51	*24*
	857	*781*

7. DONATIONS AND LEGACIES	2024 £'000	*2023 £'000*
Donations and legacies for:		
Bursaries	1,209	*345*
Other	263	*194*
	1,472	*539*

8a. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £'000	Depr'n £'000	Other £'000	2024 Total £'000
Cost of raising funds				
Fundraising for voluntary resources	232	-	67	299
Trading costs	-	-	57	57
Other costs	-	-	136	136
Total cost of raising funds	232	-	260	492
Charitable activities				
Schools and grantmaking				
Teaching	9,305	74	1,206	10,585
Welfare	1,340	9	2,627	3,976
Premises	221	542	2,305	3,068
Support costs of schooling (including governance – note 8c)	1,521	178	862	2,561
Grants, awards and prizes (note 8b)	-	-	1,209	1,209
	12,387	803	8,209	21,399
Schools - financing costs (note 9)	-	-	1,035	1,035
Total costs of charitable activities	12,387	803	9,244	22,434
Total expenditure	12,619	803	9,504	22,926

No allocation has been made of senior management time spent on governance matters as such time is additional to full time roles providing support to the School's teaching. Staff costs are further detailed in note 10.

8a. ANALYSIS OF TOTAL EXPENDITURE (cont'd)
Prior year comparative information

	Staff costs £'000	Depr'n £'000	Other £'000	2023 Total £'000
Cost of raising funds				
Fundraising for voluntary resources	*256*	-	*96*	*352*
Trading costs	-	-	*6*	*6*
Other costs	-	-	*48*	*48*
Total cost of raising funds	*256*	-	*150*	*406*
Charitable activities				
Schools and grantmaking				
Teaching	*8,670*	*36*	*1,195*	*9,901*
Welfare	*1,536*	*9*	*2,474*	*4,019*
Premises	*171*	*396*	*2,289*	*2,856*
Support costs of schooling (including governance – note 8c)	*952*	*224*	*677*	*1,853*
Grants, awards and prizes (note 8b)	-	-	*345*	*345*
	11,329	*665*	*6,980*	*18,974*
Schools - financing costs (note 9)	-	-	*1,047*	*1,047*
Total costs of charitable activities	*11,329*	*665*	*8,027*	*20,021*
Total expenditure	*11,585*	*665*	*8,177*	*20,427*

8b. GRANTS, AWARDS AND PRIZES

	2024 £'000	2023 £'000
From Restricted Funds:		
Bursaries and other grants and awards	1,209	*345*
	1,209	*345*

8c. GOVERNANCE COSTS

	2024 £'000	2023 £'000
Auditors' remuneration – audit (Group)	26	*25*
Auditors' remuneration – audit (subsidiary)	2	*3*
Auditors' remuneration – non-audit	2	-
Reimbursement of expenses to Governors	1	*2*
Other governance costs	69	*58*
	100	*88*

9. FINANCING COSTS	2024	*2023*
	£'000	*£'000*
Interest payable is due on:		
Bank loans and overdrafts	1,023	*1,036*
Discounts allowed on prepaid fees	12	*11*
	1,035	*1,047*

Financing costs are included in costs of charitable activities as part of the operation of the School.

10. EMPLOYEES	2024	*2023*
	£'000	*£'000*
Staff costs:		
Wages and salaries	10,247	*9,344*
National Insurance	1,036	*946*
Pension costs	1,311	*1,215*
Severance pay	25	*80*
	12,619	*11,585*
The numbers of employees whose remuneration was over £60k (including severance pay) fell into the following bands:	No.	*No.*
£60 - £70k	13	*10*
£70 - £80k	3	*4*
£80 - £90k	2	*4*
£90 - £100k	1	*1*
£100-£110k	-	*-*
£110-£120k	-	*-*
£120-£130k	-	*1*
£130-£140k	1	*1*
£150-£160k	-	*1*
£170-£180k	1	*-*
These higher paid staff had defined contribution pension schemes, total cost:	£'000	*£'000*
	227	*231*
Total pension costs were made up of:	£'000	*£'000*
Defined contribution schemes	1,311	*1,215*
	1,311	*1,215*

The total employment costs of key management personnel, during the year was £832k (*2023: £738k*).

The Governors did not receive any remuneration. The accounts do not estimate the value of their time and expertise in governance and support roles, though this is considerable. Two (*2023: Three*) Governors received travel and caring expenses during the year totalling £0.5k (*2023: £2k*).

10. EMPLOYEES (continued)

The average number of employees, based on head count, excluding Governors, was:	2024 No.	*2023* No.
Teaching	211	*197*
Pensioners	3	*3*
Support staff	99	*112*
Development	6	*3*
	319	*315*

11. TAXATION

As a registered charity the Trust does not pay corporation tax on surpluses arising from its charitable activities. The Trust's subsidiary, Dragon School Trading Limited, pays corporation tax on profits, but these are nil for tax purposes after allowing for the payment of profits to the parent company as a charge.
The Trust suffers irrecoverable VAT on all purchases other than those made by its subsidiary trading company. Irrecoverable VAT paid to HMRC totalled approximately £665k (*2023: £620k*) during the year.

12. TANGIBLE FIXED ASSETS (group *and* parent company) for own use:

	Assets in Course of Construction	Freehold Property	Motor vehicles	Other	TOTAL
	£'000	£'000	£'000	£'000	£'000
Cost					
at 1 September 2023	6,146	48,556	180	7,440	62,322
additions	8,396	831	9	924	10,160
disposals	-	-	(80)	-	(80)
at 31 August 2024	14,542	49,387	109	8,364	72,402
Depreciation					
at 1 September 2023	-	7,832	180	6,487	14,499
charge	-	336	2	465	803
released on disposal	-	-	(80)	-	(80)
at 31 August 2024	-	8,168	102	6,952	15,222
Net book value					
at 1 September 2023	*6,146*	*40,724*	-	*953*	*47,823*
at 31 August 2024	14,542	41,219	7	1,412	57,180

The rebuild cost of properties included in freehold was approximately £94,617k at the most recent insurance review (December 2024) though this does not include the value of the land itself. Governors are of the opinion that the current market value of freeholds is considerably in excess of the historical cost shown. With respect to other assets (fixtures, fittings and equipment), these are insured for £5,118k. These values are cited merely for comparison with the historical cost figures shown above. The School does not own any heritage assets.

Virtually all assets held are used for the purposes of the School's operation; some small proportion is used for management and trading, but identification of the amounts involved is not practicable.

13. STOCKS

	Group		Parent company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Goods for resale	-	1	-	-
Consumables	1	6	-	6
	1	7	-	6

14. DEBTORS

	Group		Parent company	
	2024	2024	2024	2023
	£'000	£'000	£'000	£'000
Trade debtors	553	466	551	447
Amount owed by subsidiary	-	-	11	-
Loans	10	13	10	13
Prepayments	405	236	370	236
Accrued income	690	68	690	68
	1,658	783	1,632	764

15. INVESTMENTS

	Group and parent company	
	2024	2023
Investments are shown at market value:	£'000	£'000
Other U.K. listed investments held as fixed assets	9,115	4,715
	9,115	4,715
Historical cost:	8,269	4,300
Value of investments:		
brought forward	4,715	3,116
disposals at value brought forward	-	(63)
acquired	3,800	1,600
change in unrealised values	600	62
carried forward	9,115	4,715

16. CASH AT BANK AND IN HAND

	Group		Parent company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Cash on deposit	12,118	21,357	12,118	21,357
Current bank accounts and petty cash	742	24	596	22
	12,860	21,381	12,714	21,379

17. CREDITORS: DUE WITHIN ONE YEAR

	Group		Parent company	
	2024	*2024*	2024	*2023*
	£'000	*£'000*	£'000	*£'000*
Trade creditors	1,881	*1,493*	1,875	*1,493*
Amount owed to subsidiary	-	*-*	-	*19*
Taxation and social security	289	*265*	264	*265*
Accruals	1,238	*868*	1,226	*862*
Deferred income				
- fees received in advance	1,605	*1,729*	1,605	*1,729*
- deposits held	670	*644*	670	*644*
- prepaid fees scheme	1,670	*678*	1,670	*678*
	7,353	*5,677*	7,310	*5,690*

18a. CREDITORS: DUE IN IN MORE THAN ONE YEAR

	Group and parent company	
	2024	*2023*
	£'000	*£'000*
Bank loans	30,000	*30,000*
Deferred income: prepaid fees	2,000	*280*
Deposits held	1,888	*1,891*
	33,888	*32,171*

18b. ANALYSIS OF LONG TERM CREDITORS

Long term creditors are due in less than five years except as follows:

Bank loans:		
due within one year	-	-
due between two and five years	-	-
due in more than five years	30,000	*30,000*
	30,000	*30,000*
Deferred income - prepaid fees 19.		
due within one year	1,670	*678*
due between two and five years	1,848	*165*
due in more than five years	152	*115*
	3,670	*958*
Deposits held:		
due within one year	670	*644*
due between two and five years	1,196	*1,441*
due in more than five years	692	*450*
	2,558	*2,535*

18c. LONG TERM CREDITORS: EXPLANATORY NOTES

On 18 March 2022, the School issued £30m of Senior Secured notes in a Private Placement to Canada Life Limited and Canada Life Assurance Company. These Notes have a fixed interest rate of 3.41% and are due for repayment on 29 April 2050. The School granted a legal charge over the following properties as security for the loans; Dragon Prep School, Dragon Pre-Prep School, School House, 30/32 Bardwell Road, Cherwell House, 26/28 Bardwell Road, 1 Charlbury Road, 3 Charlbury Road, 5 Charlbury Road, 6 Chadlington Road, Lane House and Richard's Cottage.

19. PREPAID FEES ACCOUNT

	Group and parent company	
	2024	*2023*
	£'000	*£'000*
Balance at the beginning of the year	958	*895*
New contracts	3,409	*772*
Amounts accrued to contracts as debt-financing costs	12	*11*
Amounts used in payment of fees		
– to the School	(709)	*(663)*
– to other Schools	-	*(57)*
Balance at year end	3,670	*958*

20. PENSIONS

Up to 1 September 2021, the majority of the staff participated in one of two pension schemes: the Teachers' Pension Scheme (TPS) run by the Teachers' Pension Agency specifically for teaching staff, and a defined contribution scheme for other staff, with Scottish Widows.

On 1 September 2021, the School left the TPS scheme and the defined contribution scheme with Scottish Widows was closed. The school operates a defined contribution scheme with Royal London which all staff can join. The assets of the scheme are held separately from the Trust in an independently administered fund. The employer contributes up to 16.48% corresponding to employees' chosen contribution rates.

Included within salary costs are payments to certain former staff members or their spouses whose pension provision prior to the School adopting the TPS was inadequate during their employment. The total amount paid was £9k *(2023: £12k)*. The Trust is under no legal obligation to continue with these payments and accordingly the accounts do not include any estimate, actuarial or otherwise, of a possible total future commitment.

21. RELATED PARTIES

Six *(2023: Five)* of the Governors had children at the School during the year, for which they are charged normal fees and extras as agreed in the standard parent-school contract.

In addition to assisting the school in raising funds, Governors themselves make charitable donations to the school from time to time, but there is no requirement to do so. The total charitable contributions in the year from Governors was £1k*(2023: £5k)*.

One of the Governors is also a Governor of St Edward's School, Oxford (0116784). During the year the School paid St Edward's £1k for the hire of sports facilities and received £123k towards school fees for 10 pupils.

The School also had transactions with its subsidiary company, Dragon School Trading Limited, which are detailed in note 28.

There were no other related party transactions in the current or previous year.

22. CAPITAL COMMITMENTS

The School had capital commitments of £158k *(2023: £6,192)* with respect to building contracts in progress at the year-end. There were no amounts committed but not yet contracted.

23. FINANCE LEASE COMMITMENTS

The School has no future minimum lease commitments under non-cancellable finance leases.

24. OPERATING LEASE COMMITMENTS

The School had total future minimum lease commitments under non-cancellable operating leases as follows:

	Group and parent company	
	2024	*2023*
Other	£'000	*£'000*
Due within 1 year	68	*68*
Due 2-5 years	179	*247*

The total operating lease expense recognised in the SoFA for the year is £70k *(2023: £36k)*.

25. FUNDS: DETAILED MOVEMENTS

	Balance at 1 Sept 2023	Incoming resources	Outgoing resources	Investment gains	Transfers between funds	Balance at 31 Aug 2024
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	445	-	-	48	-	493
	448	-	-	48	-	496
RESTRICTED FUNDS						
Knatchbull Memorial fund	105	4	-	15	-	124
Bursaries funds	948	1,209	(1,209)	111	-	1,059
Capital fund	-	207	-	-	(207)	-
Development fund	313	55	-	-	(19)	349
	1,366	1,475	(1,209)	126	(226)	1,532
UNRESTRICTED FUNDS						
Prepaid fees	-	-	(12)	-	12	-
General fund	35,010	23,378	(21,648)	426	249	37,415
	35,010	23,378	(21,660)	426	261	37,415
CHARITY total funds	36,824	24,853	(22,869)	600	35	39,443
Non-charity trading funds	37	185	(57)	-	(35)	130
GROUP	36,861	25,038	(22,926)	600	-	39,573

Prior year comparative information	*Balance at 1 Sept 2022*	*Incoming resources*	*Outgoing resources*	*Investment gains*	*Transfers between funds*	*Balance at 31 Aug 2023*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
ENDOWMENT FUND	*3*	-	-	-	-	*3*
ENDOWED BURSARIES FUND	*445*	-	-	-	-	*445*
	448	-	-	-	-	*448*
RESTRICTED FUNDS						
Knatchbull Memorial fund	*73*	*24*	-	*8*	-	*105*
Bursaries funds	*933*	*345*	*(345)*	*15*	-	*948*
Capital fund	*3,663*	*127*	-	-	*(3,790)*	-
Development fund	*266*	*47*	-	-	-	*313*
	4,935	*543*	*(345)*	*23*	*(3,790)*	*1,366*
UNRESTRICTED FUNDS						
Prepaid fees	-	-	*(11)*	-	*11*	-
General fund	*30,255*	*20,932*	*(20,054)*	*41*	*3,836*	*35,010*
	30,255	*20,932*	*(20,065)*	*41*	*3,847*	*35,010*
CHARITY total funds	*35,638*	*21,475*	*(20,410)*	*64*	*57*	*36,824*
Non-charity trading funds	*57*	*54*	*(17)*	-	*(57)*	*37*
GROUP	*35,695*	*21,529*	*(20,427)*	*64*	-	*36,861*

26. FUNDS: NET ASSETS	Fixed Assets	Invest-ments	Other net current assets	Long term liabilities	Total net Assets at 31 Aug 2024
	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	468	25	-	493
	-	468	28	-	496
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	78	46	-	124
Bursaries funds	-	1,096	(37)	-	1,059
Development fund	-	-	349	-	349
	-	1,174	358	-	1,532
UNRESTRICTED FUNDS					
Prepaid fees	-	-	1,847	(1,847)	-
General fund	57,180	7,473	4,803	(32,041)	37,415
	57,180	7,473	6,650	(33,888)	37,415
CHARITY total funds	57,180	9,115	7,036	(33,888)	39,443
Non-charity trading funds	-	-	130	-	130
GROUP	57,180	9,115	7,166	(33,888)	39,573

Prior year comparative information	*Fixed Assets*	*Invest-ments*	*Other net current assets*	*Long term liabilities*	*Total net assets at 31 Aug 2023*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
ENDOWMENT FUND	-	-	*3*	-	*3*
ENDOWED BURSARIES FUND	-	*420*	*25*	-	*445*
	-	*420*	*28*	-	*448*
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	*63*	*42*	-	*105*
Bursaries funds	-	*985*	*(37)*	-	*948*
Development fund	-	-	*313*	-	*313*
	-	*1,048*	*318*	-	*1,366*
UNRESTRICTED FUNDS					
Prepaid fees	-	-	*165*	*(165)*	-
General fund	*47,823*	*3,247*	*15,946*	*(32,006)*	*35,010*
	47,823	*3,247*	*16,111*	*(32,171)*	*35,010*
CHARITY total funds	*47,823*	*4,715*	*16,457*	*(32,171)*	*36,824*
Non-charity trading funds	-	-	*37*	-	*37*
GROUP	*47,823*	*4,715*	*16,494*	*(32,171)*	*36,861*

27. FUNDS: EXPLANATORY NOTES

a) The Endowment fund represent amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources.
Additional fee concessions and support are provided from the general fund.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the school's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes as funds are transferred to the General fund when spent.

f) The 'Capital fund'represented unspent donations raised for building projects – primarily the Music School. Amounts spent on the specific buildings have been transferred from the Capital fund to the general fund in the year the expenditure is incurred and the balance is zero at the year end due to the fact that the Music School and other projects are sufficiently advanced to have incurred the relevant expenditure.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments in government stocks and cash deposits are held against the future liabilities.

28. TRADING SUBSIDIARIES

The Trust holds 100 ordinary shares of £1 each, representing 100% of the issued share capital of Dragon School Trading Limited, a company incorporated in England and Wales. The value of the investment as determined by the equity method is £100. These shares are included on the parent company balance sheet as investments held as fixed assets:

	2024	*2023*
	£	*£*
Shares in subsidiary company at cost	100	*100*

The Trust advances working capital as necessary to the trading company to finance its operations. Interest is charged on the amount outstanding from time to time at the same rate as charged by the Trust's bankers.

The Trading company's results for the year, and balance sheet at the year end, from the audited accounts, are summarised below:

	2024	*2023*
	£'000	*£'000*
Turnover	185	*54*
Cost of sales	(53)	*(6)*
Gross profit	132	*48*
Administration expenses	(2)	*(13)*
Profit for the financial year	130	*35*
To be paid to Dragon School Trust Ltd under gift aid	130	*35*
Generated for parent company:		
Surplus above	130	*35*
Management charges from Trust	3	*4*
	133	*39*
Current assets	183	*21*
Intercompany account	(11)	*19*
Current liabilities	(42)	*(5)*
Net assets	130	*35*
Called up share capital	-	*-*
General reserves	130	*35*
	130	*35*

The Trust holds 1 ordinary shares of £1 each, representing 100% of the issued share capital of Dragon School International Ltd, a company incorporated in England and Wales. The value of the investment as determined by the equity method is £1. These shares are included on the parent company balance sheet as investments held as fixed assets:

	2024	*2023*
	£	*£*
Shares in subsidiary company at cost	1	*-*

Dragon School International was dormant during the year ended 31 August 2024.

29. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

	Unrestricted funds	*Restricted funds*	*Endowed funds*	*Total funds 2023*
	£'000	£'000	£'000	£'000
INCOME FROM:				
Charitable activities				
School fees	20,112	-	-	20,112
Other educational	39	-	-	39
Other ancillary trading	-	-	-	-
Other trading activities				
Non-ancillary trading	54	-	-	54
Investments				
Investment income	-	4	-	4
Bank and other interest	781	-	-	781
Voluntary sources				
Donations and legacies	-	539	-	539
Total income	20,986	543	-	21,529
EXPENDITURE ON:				
Raising funds				
Fundraising for voluntary resources	352	-	-	352
Trading	6	-	-	6
Other	48	-	-	48
Total costs of raising funds	406	-	-	406
Charitable activities				
Schools and grantmaking	18,629	345	-	18,974
Schools - financing costs	1,047	-	-	1,047
Total costs of charitable activities	19,676	345	-	20,021
Total expenditure	20,082	345	-	20,427
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)	904	198	-	1,102
Investment gains/(losses)	41	23	-	64
NET INCOME	945	221	-	1,166
Fair Value gains	-	-	-	-
Transfers between funds	3,790	(3,790)	-	-
NET MOVEMENT IN FUNDS	4,735	(3,569)	-	1,166
Fund balances at 1 September 2022	30,312	4,935	448	35,695
FUND BALANCES AT 31 AUGUST 2023	35,047	1,366	448	36,861

DRAGON SCHOOL TRUST LIMITED

England & Wales - Charity number 309676

Accounts

DRAGON SCHOOL TRUST LIMITED

GROUP ACCOUNTS FOR THE YEAR ENDED

31 AUGUST 2023

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Company number: 524331

Registered charity number: 309676

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2023:
SUMMARY REVIEW BY THE CHAIR OF GOVERNORS AND HEAD

Summary Review by the Chair of Governors and Head

Operationally, this year has been notable for the commencement of the Music & Performing Arts Building Project. With the project having to be placed on hold due to the pandemic, we are delighted to see the progress that has been made in the 12 months of this period. The building is due to be completed in the Summer Term of 2024 and, with almost of our pupils taking part in some form of music and drama, this facility will make an enormous difference to the Dragon's provision.

We are equally as excited by the benefits this new building will have for our social impact programme. We have already seen the joy and shared benefit that music and drama can bring through our existing partnerships with primary schools. This new facility will serve to enhance the wider public benefit that Dragon School can enable.is the social impact that the facility will have.

Other improvements across the estate have included a full refurbishment of 2 of our larger boarding senior houses, Cherwell and Dragon House, and the introduction of a new playground at the Pre-Prep. We are most grateful to the support of our parent community in enabling this project to be delivered over the summer and it has made a wonderful addition to the provision at the Pre-Prep.

We have also made significant inroads into our Net Zero strategy with the replacement of lighting to LED across the School almost complete. The next reporting period will see the installation of solar PV panels at the Prep and Pre-Prep. To further support or ambitions, we now offer electric vehicles to our colleagues through a scheme with Tusker, cycle to work schemes and have improved cycle racks across the school. Following the announcement that the Oxford School Bus Partnership will cease operating in August 2023, we are excited by the launch of our own home to school bus service which we anticipate will continue to grow over the year.

Our aim is to inspire, encourage and develop free-thinking, confident young people who reach for the sun. Positive outcomes for each individual Dragon are central to every decision we take. Importantly, this was recognised by the Independent Schools Inspectorate earlier this year and we were delighted to have this external validation of everything we do.

The pupils roll is strong and there has been a significant uplift in flexi boarding due to a shift in our offering. Our boarding strategy has ensured the Dragon remains the largest boarding community in the Prep Sector.

Highlights for this year include:

- Record number of scholarships to national schools 63 in total
- Welcoming our first Royal Spring Board bursary candidate alongside achieving our target of 25 bursary students in the prep school.

- Establishing of the Dragon School Larder working with Oxford's Food Hub alongside an extensive social impact programme. Our charity fundraising was in excess of £150,000
- Outstanding co-curricular opportunities including an incredible production of School of Rock and a riverside production of Wind in the Willows. A consistently high rate of attendance for Quest our enrichment activity programme on a Saturday morning, record numbers of sporting fixtures including gaelic football for the first time.
- Development initiatives including a trip to New York to engage with alumni as part of a menu of reunion opportunities.
- A growing programme of parent forums to support parents covering areas such as how to keep your child safe on-line to how to manage anxiety in younger children.

We published our Aims and Targets for 2022/3 and are available to see on our website https://www.dragonschool.org/the-school/aims-ethos/

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2023:
GOVERNORS, ORGANISATIONAL STRUCTURE, OFFICERS AND ADVISERS

Dragon School Trust Limited ("Dragon School" or "Trust") is a company registered under the Companies Act 2006 and a registered charity. It is a company limited by guarantee; the liability of members of the company is limited to £1 each. The Governors of Dragon School are trustees of the charity, and directors and members of the company. Those serving during the year are as follows:

C Alexander	F T	
M Breen	E G	
J C Edmondson	F T *	
Dr H R Gurprashad	S&MH *	
D C Goatman	F R&C	
N L Helliwell	E M&A	
C I M Jones	F G SI + °	
S J Kerr-Dineen	E °	
Dr M Letts OBE	E SI	
N Millard	G S&MH	
N D Portwood	°	
R C W Rambaut	R&C *	
I A Van Every	M&A R&C SI *	
W A Webb	E F G M&A R&C SI °	
M Witherick	SI *	(appointed 1 January 2023)

Committee memberships and other groups (as at the end of year):

E	Education Committee
F	Finance Committee
G	Governance Committee
SI	Social Impact Committee
M&A	Marketing and Admissions Committee
R&C	Risk and Compliance Committee
S&MH	Safeguarding & Mental Health Committee
T	Dragon School Trading Ltd
+	Old Dragon
*	Current parent
°	Former parent

Board and Committees

The Board of Governors is a self-appointing body. Governors hold office for six years, whereupon they may be reappointed. Governors normally retire at the age of 70. There may be no more than 20 and no fewer than seven Governors. All committees and groups report to the main Board. The Board and other committees and groups routinely meet three times a year and at other times as necessary.

The Education Committee is the forum for all educational purposes and decision making in which Governors and staff participate equally.

The Social Impact Committee ensures the implementation of the School's SI strategy and programme. It is also responsible for approving all applications for means tested awards and grants on behalf of the Full Governing Body.

The Finance Committee has particular responsibility for the School's finances and financial strategy.

The Risk & Compliance Committee is the custodian of the School's Risk strategy and management matrix. It is also the primary committee to consider the School's compliance obligations.

The Governance Committee, previously Nominations and Remuneration Committee, is tasked with reviewing the membership of the Governing Body, recommending new Governors for GB approval, and for reviewing the performance and remuneration of Head and Chief Operating Officer, reporting via the Chairman to the Board of Governors.

The Safeguarding and Mental Health Committee ensures Board-level review and responsibility for all safeguarding, mental health and pastoral matters; its remit also includes boarding.

The Marketing and Admissions Committee is responsible for ensuring a coherent approach to the School's pupil recruitment strategy

Advisors

The Trust appoints professional advisors to deal with specialist matters from time to time. All contracts are subject to periodic review as circumstances merit.

Architects:	TSH Architects	Oxford
	MEB Design	Oxford
Auditors:	Crowe U.K. LLP	Cheltenham
Bankers:	Barclays Bank	Oxford
	Coutts & Co	London
Insurance brokers:	Marsh Brokers	Haywards Heath, West Sussex
Pension advisors:	Succession Wealth	Aylesbury, Buckinghamshire
Solicitors:	Freeths	Oxford
	Blake Morgan	Oxford
	VealeWasboroughVizards	London
Surveyors:	Ingleton Wood	Oxford

Registered office and address for correspondence:

Dragon School
Bardwell Road
Oxford
OX2 6SS

Web-site: www.dragonschool.org
e-mail contact: Bursar@dragonschool.org

The Head is E Goldsmith.

The Company Secretary and Chief Operating Officer is M R Johnson.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2023:
GOVERNORS' REPORT

The Governors present their annual report and audited accounts for the year ended 31 August 2023 in compliance with current statutory requirements for companies and charities and the company's Memorandum and Articles of Association. This report, together with the preceding pages, incorporates the information required for the directors' report and strategic report under the Companies Act. Comparative figures in the accounts are for the year ended 31 August 2022.

REFERENCE AND ADMINISTRATIVE INFORMATION

Dragon School was founded in 1877. It was incorporated in 1953 as a company limited by guarantee and registered at Companies House, number 524331. It is registered with the Charity Commission under charity number 309676. The Governors, principal executive officers and advisers, together with contact details for the School, are given on pages ii to iv.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Dragon School is governed by its Memorandum and Articles of Association dating from 1953 and last amended in November 2008.

Governing Body

Overall responsibility for Dragon School rests with the Governors, who are listed on page ii together with information regarding their tenure and committee membership.

Recruitment and training of Governors

New Governors are appointed at a meeting of the Board on the basis of recommendations made by the Nomination and Remuneration Committee ("NRC"). Recommendations are made following an interview process with members of the NRC and on the basis of the requirements of the Board in terms of skills and expertise.

New Governors receive an introduction and induction led by the Chief Operating Officer on behalf of the Chair of Governors. This covers a range of information including general governance matters, together with more detailed discussions of strategic priorities and finances. Further opportunities to attend appropriate seminars and training events are offered when they occur.

Organisation and management

The Governors, as the trustees of the Charity, are legally responsible for the overall management and control of the School. The Board of Governors meets at least once a term, receiving reports from committees which meet with similar frequency.

The day to day running of the School is delegated to the Head and Chief Operating Officer, supported by the Senior Leadership Team and staff. Generally the Head and Chief Operating Officer

attend all Governors' and Committee meetings, except those of the Nominations and Remuneration Committee and when restricted business is discussed.

Key Management

Key Management Personnel are defined as the Head, Chief Operating Officer, Head of Pre-Prep and the Deputy Heads.

Remuneration

Remuneration is set by the Governing Body with the overall objective of ensuring appropriate recognition and incentive to encourage exceptional performance. Remuneration must be fair and responsible, and the appropriateness of the School's remuneration is reviewed periodically; this includes benchmarking with other schools in both independent and maintained sectors. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to develop and grow.

Group structure and relationships

Dragon School has a wholly owned trading company, Dragon School Trading Limited (company number 1379919), which is used to generate income for the School through the hire of facilities, the sale of Dragon-related souvenirs and second-hand clothing. All residual profits are paid to the Trust under gift aid.

Dragon School has a relationship with two other charities, 'The Lynam Educational Fund' (274993), whose objects include assistance with school fees in cases of need, and 'The Dragon Christmas Charity Sale' (1106073), which raises money for charities helping children and families. The School provides support in the form of staff time to these charities, but as the School does not control these charities, their activities and financial results are not included within these reports and accounts, except to the extent that they have donated to the School.

The School actively supports the independent schools' sector, and contributes to the furtherance of educational standards and the quality of pastoral care, through participation in and subscription to umbrella organisations such as IAPS and BSA and through exam setting and curriculum review processes. The School has also developed links with a number of schools and charities overseas both through regular contacts and as opportunity and need arise.

The School continues to promote the use of its facilities at a discounted rate or, where appropriate, gratis. This includes the use of playing fields, astro-pitches, Lynam Hall and music facilities by local schools and other community groups and charities, and in particular those involved in educational or child-related activities.

CHARITABLE OBJECTS, AIMS AND OBJECTIVES

Charitable objects

Dragon School's charitable objects are set out in the Memorandum and Articles of Association. The primary object is to advance the education of the public by acquiring and carrying on any school or schools for the education of children and young adults and by ancillary or incidental educational activities and other associated activities for the benefit of the community. In pursuit of these objects the School operates the Dragon Prep School at Bardwell Road for boys and girls from 8 to 13 years old and the School's Pre-Prep, Dragon Pre-Prep, on a separate site. Dragon Pre-Prep takes boys and girls from the age of 4.

In setting the School's objectives, and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit as updated in September 2013. The School's commitment to providing financial support to pupils whose parents could not otherwise afford to consider a Dragon education predates the 2006 Charities Act and subsequent guidance from the Charities Commission. The pursuit of wider access to the School is held to be of benefit to all Dragon pupils. To support with these goals, the School manages a number of restricted funds to be used in connection with the development of the School's facilities, and the provision of Bursaries, prizes and other educational purposes.

Aims

The Dragon intends to provide a wide-ranging educational experience for all children, stretching all to the best of their respective abilities in academic, artistic, sporting, cultural and social activities. Although excellence is achieved by pupils in many fields, particularly academic, the School is most proud of its liberal ethos, the inclusivity of its educational provision and its pastoral care for all. In addition, the School aims to play a full and effective part in its local community.

Objectives for the year

The Dragon's primary objective this year was to continue to provide the best possible education and care for each and every pupil, ensuring that those leaving for other schools achieve the places desired. In addition, the School has sought to widen access and increase its social impact.

Strategies used to achieve the year's objectives

The School continues formal self-reviews of all areas of operation so as to improve methods and procedures, particularly of teaching and pastoral care, but additionally in the process of monitoring and assessing its own procedures. Specialist external reviews are also sought when deemed valuable. Specific coaching was provided to leavers tailored to the schools of their choice, and the pupils' abilities, to ensure their applications were successful.

The school monitors several key performance indicators throughout the year to assess performance against objectives, including, but not limited to, monitoring success in reaching first choice school,

average set size, number of extra-curricular music and drama lessons taken, academic and other awards achieved and results achieved at CE, including number of high performing results.

POLICIES

Grant making

The School is particularly sensitive about the costs associated with delivering first class education, and seeks to extend its facilities as far as possible to those who might not otherwise be able to afford such an education. In particular it continues to carry out specific fund-raising to enable means-tested Bursaries to be awarded, in appropriate circumstances, which cover all or nearly all of the fees. Currently the School provides up to 25 Bursary places at up to 100% grant under its '125th anniversary' scheme. Other awards are made with respect to short-term hardship arising from significant life-changes.

In general, grants are made from the Bursaries, general and other specific funds to provide financial help with the fees. Where significant financial help may be required, the Bursaries Committee considers all circumstances involved in a grant application. This might include, where appropriate, means testing, interviews and home visits, with a view to making grants as fairly and as effectively as possible. All grants are made subject to annual review.

Risk management and key risks

The Governors are responsible for ensuring the management of the risks faced by the Dragon. This is delegated to the General Purposes Committee, who review regularly a summary of the primary risks thought most likely to materialise or have the greatest effect, together with the action taken to mitigate those risks.

Risk mitigating controls

The highest priority is placed on appropriate controls and processes to mitigate risks. Strict adherence to safer recruiting protocols, staff training, and a climate of open communication are fundamental to mitigating safeguarding risks in our School. Operational finance risks are mitigated through in-house oversight and checking. More broadly, risks associated with The Dragon's borrowings of greater than 1-year were mitigated through appropriate hedging financial instruments where appropriate. Considered financial planning, together with comprehensive management accounting, reporting and budgetary control, ensures the School maintains adequate reserves. Robust governance, strong policies, and effective communication (both internal and external) underpin the School's overall risk mitigation strategy. Internal monitoring of the School's compliance is led by the Compliance Officer on behalf of the Chief Operating Officer and Head.

Reserves

The Governors review the restricted and designated reserves regularly. The specific objects of restricted funds are as follows:

a) The Endowment fund represents amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997. The reserve stood at £3k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries. The reserve stood at £445k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources. The reserve stood at £105k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources. Additional fee concessions and support are provided from the general fund. The reserve stood at £948k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the School's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes. The reserve stood at £313k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

f) The 'Capital fund' represents unspent donations raised for building projects – primarily the Music School. Amounts spent on the specific buildings are transferred from the Capital fund to the general fund in the year the expenditure is incurred. The reserve stood at zero at the end of the year as the building work relating to the donations made to the fund had progressed sufficiently.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments and cash deposits are held against the future liabilities. The reserve stood at zero at the end of the year as the aim is for the assets to match the liabilities.

None of the restricted funds are limited by their objects as to the expenditure of capital except the Endowed Bursaries and Endowment funds. All surpluses together with borrowings, eg bank loans, are reinvested to improve the School's resources. Comparative financial information for the funds can be found in notes 25 & 26.

At the year end the School had a deficit in free reserves of £13,564k, mainly represented by land and buildings, which have been financed by the School's accumulated surpluses and supplemented by bank borrowings. In the absence of free reserves, working capital and cash flow are monitored closely. The Governors' policy is to continue building up reserves out of operating surpluses, subject to the requirements for further capital expenditure. The School's working capital is considered to be sufficient to meet its liabilities as they fall due.

Investment

The Trust's investment powers are governed by its Memorandum and Articles of Association. These permit funds to be invested in such investments, securities or property as may be thought fit. The School invested more of its general funds during the year. As these assets are intended to perform over a relatively long term period, targets will be set based on performance of the funds against comparators over a rolling three year period, with comparisons made against alternative investment vehicles each full year.

Prepaid fees funds are invested at the School's discretion in cash deposits or Government stocks so as to match individual schemes' requirements.

Investments performed relatively well in the year, with total gains of £64k considered reasonable against the backdrop of relative uncertainty in the markets during the year.

Section 172 of the Companies Act 2006

The Governors confirm that all relevant issues, factors and stakeholders have been included in this report. They further confirm that regular engagement by Governors has ensured that issues are clearly understood and regular meetings continue to take place. Further, they confirm that key decisions are made with appropriate input and guidance from the Governors.

Disabled applicants and staff

The School makes inclusion a thread which runs through all its activities. Dragon School seeks to engage with the widest possible range of knowledge, skill and experience in all its activities. The School's policies, therefore, facilitate the employment of disabled people and the provision where appropriate of training and career development. Were an employee to become disabled whilst in service, every effort would be made to retain them.

Communication with staff

Governors place considerable importance on informing all staff of financial and other matters that affect them, consulting with them where appropriate. The Head and Chief Operating Officer report the outcome of Governors' meetings to staff through the School's formal management structure. All other such matters are briefed to staff as they arise through regular staff meetings.

Staff are encouraged to discuss matters of concern within the staff meetings and any feedback is discussed with the Deputy Heads, Head, Chief Operating Officer and Governors as appropriate. This can then influence school policy in a number of areas.

Relationship with parents and pupils

Dragon School considers its relationship with its parents and pupils to be of the utmost importance. The School prides itself on its open and transparent communication with its parents and pupils and never has this been more important than during the pandemic.

Dragon School issues regular bulletins on a weekly and termly basis and utilises social media to communicate with agility. Parents are encouraged to approach the School as required to ensure effective two-way communication.

Fundraising

During the year, the charity undertook fundraising activity with its supporters via direct mail, fundraising events and email in line with the Fundraising Code of Practice set by Fundraising Regulator.

When you support you can be sure of the following:

- We will never sell your contact details to anyone;
- We will only contact you if you have expressed an interest in our work;
- If we phone you, we will always check you are happy to take the call;
- If you ask us to change how we communicate with you, or stop, we will respect that;
- We do not engage in cold-calling, door to door or street fundraising;
- We try hard to ensure no one ever feels pressurised to support our work;
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice;
- All our activities are open, fair, honest and legal.

The charity did not work with any fundraising partners in the academic year 2023.

The charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. We did not receive any complaints about fundraising in 2023.

Dealing with suppliers

Dragon School prides itself on working collaboratively with its suppliers, both large and small. The School has introduced a system to monitor supplier payment terms.

Carbon Reporting

As part of our new reporting requirements, the School has reviewed its greenhouse gas emissions and energy use data to compile a report to meet the SECR reporting requirements. The overall consumption of fossil fuels, direct and indirect, can be summarised as equivalent to production of an amount of carbon dioxide ('CO2e'), measured in tonnes. To do so we have used HM Government's environmental reporting guidelines, the GHG Reporting Protocol and HM Government's 2023 conversion factors for company reporting, and then expressed the tCO2e per pupil.

The table below summarises the energy use relating to electricity, gas combustion and transport.

Electricity use	1,232,224 (*2022:* 1,191,427*)* kWh
Gas Combustion	3,488,665 (*2022:* 3,824,230*)* kWh
Transport	40,749 (*2022:* 48,392*)* kWh
Total	4,761,638 (*2022:* 5,064,049*)* kWh

The greenhouse gas emissions associated with the energy use identified in the table above are as follows:

Electricity use	255.1 (*2022:* 253.0*)* tCO2e
Gas Combustion	628.0 (*2022;* 700.4*)* tCO2e
Transport	9.6 (*2022: 11.4)* tCO2e
Total	892.7 (*2022: 964.8)* tCO2e

The School consumed an average of 1.12 (*2022: 1.21*) tCO2e/pupil based on 800 (*2022: 798*) pupils.

The majority of the change came from gas consumption, which is related to weather and temperature during the year. The Dragon is committed to reducing its carbon footprint and is moving towards a Net Zero position through a number of workstreams.

STRATEGIC REPORT

The School provided education to its pupils in accordance with its stated aims and motto *arduus ad solem*. Demand for places continues to be high, in large part due to the recognised high standards achieved by the School. During the year the School had (on average) 801 pupils in total between the Prep school and Dragon Pre-Prep.

The School was inspected by the Independent Schools Inspectorate (ISI) in December 2022 and the achievement of the pupils, including their academic development, and the personal development of the pupils was judged to be Excellent (the highest possible descriptors). The inspection also included a Regulatory Compliance element and the School was assessed as meeting the requirements in every respect. The full text of the inspection report can be found here:

https://www.isi.net/reports/?name=Dragon%20School

IN-YEAR ACHIEVEMENTS

Our teaching numbers boast nearly 750 music lessons a week across wide-reaching disciplines. These cover the full complement of western classical instruments as well as pop instruments and Music Tech.

Our ensembles and pre-select music groups programme continues to thrive with 60 music groups running weekly across both sites. This gives a full range of styles and abilities over all our year groups. Singing is once again running at capacity with our year group choirs well subscribed and our pre-select choirs bursting at the seams. We are taking the choir on tour to Berlin this year and the tour filled up on the first day of booking.

219 children took their ABRSM exams with 37 taking Grade 5 or above on many different instruments. Our total exam output for 2022-2023 was 257 and we have an average of a 99% pass rate. In our most recent exam run we had more distinctions than any other mark.

Musical outreach events are still very much a priority for us. Our Gamelan Days are proving a great success with local primaries and is a termly fixture in our calendar. Last year we were able to host a specialist SEN school which proved rewarding both for them and for our Dragons. Our DragonPhil Days (this year catering for Wind and Brass) are also a popular annual event..

In Games, too, the School's vision of making sport accessible to everyone was embraced enthusiastically by Dragons themselves with our aim being that every child has the chance to represent the School in each major termly sport. There are a variety of other sports available for the children to participate in all year round with a breadth of activities on offer through our clubs' programme in addition to the curriculum sport.

We provide extensive opportunities for the pupils to represent the school at all levels regularly have over 30 different teams playing on a match day, with our more senior sides playing fixtures on arguably the most competitive Prep-School circuit around. Furthermore, a number of Dragons earn

representative honours at district, county and regional level in an increasing number of sports, realising the School's twin aims of promoting both participation and excellence.

Our leaving pupils sat Common Entrance in School again, achieving 77% A&B Grades – an excellent comparison to previous years. Our leavers gained 63 awards to their senior schools, a School record in recent times, including 25 academic Scholarships or Exhibitions.

The School's Social and Environmental Impact programme, is guided, under instructive facilitation, by the pupils themselves. Each pupil can cast a vote for the charitable sectors the School will support. Both veins of thinking are increasingly blended into normal curriculum subjects, as well as functioning as specific projects in the Activities and Clubs programmes. Each year group usually organises one major charity event, or challenge, each year with all pupils in the year group engaged. These usually include A Block pupils (Year 8) being invited to lead their own specific fundraising challenge and B block pupils (Year 7) being given £5 to turn into fundraising projects. Pupils are invited to participate in fundraising for, and the distribution of funds raised by, the Dragon Sale, which is the largest annual Dragon Community fundraising event.

The School continues to take important steps to improve its infrastructure. Its main capital expenditure during the year was on commencing the Music & Performing Arts building.

Operational performance – Key Performance Indicators

- 100% of leaving children passed to their school of choice.
- 77% of Common Entrance papers were graded A or B
- 63 academic, music, art, sporting and all-round awards were made to Dragon pupils by their secondary schools.
- Fee income was £20,112k
- Donations and legacies were £539k
- Staff costs were £11,585k

Operational performance – Widening Access and Social Impact

a) Bursaries and other grants:

Bursaries are at the heart of the Dragon's public benefit provision. The Dragon has a target of 25 Bursary awards across the School in the academic year and new grants per year have been awarded each year to try to meet this target. Bursary awards (day and boarding) were on average just over 75% of the fees at a cost to the School this year of £345k (*2022: 347k*); a range of other grants including staff, hardship and scholarship totalling a further £829k (*2022: £664k*) were awarded between 53 other pupils.

b) Social Impact:

The School believes that as an institution it should give strong support to the wider community. Of equal importance is the conviction that gaining a proper understanding of their social and

environmental responsibilities must be a cornerstone of the education of each of its pupils. The School is committed to involving all pupils in such projects.

c) Educational:

The Latin in the Community initiative, whereby Dragon teachers and pupils assist teachers and children from other non-fee-paying schools without this expertise, continues to flourish; surplus equipment is donated to other schools or charities; some members of Dragon staff act as governors on local and IEB boards; other links and ideas are built into the curriculum through visits, demonstrations, lectures and debates.

d) Music, Sport and Arts:

Dragon musicians have played and sung in public at a variety of charities. International visitors have provided sporting as well as musical interaction. In addition, a range of local schools, charities and local groups and clubs continue to use the School's facilities when available. The provision of facilities for these purposes is valued at an approximate £22k (at the normal discounted rates for charitable use).

e) Community:

During the year the staff and its pupils raised funds for other charities through wide-ranging entrepreneurial activity, most of which is pupil led. In addition, the Dragon Christmas Charity Sale distributed funds for various charities from proceeds of the sale held at the end of the Christmas term on the School's premises, run by the parents with the assistance of pupils and staff.

Operational performance – Fundraising

The School raised £539k (*2022: £2,045k*) to further its activities this year. The broad fundraising strategy remains to reach out to the whole Dragon community including Old Dragons, current and past parents focusing on meeting two core needs: the maintenance of Bursary funds and supporting the School's capital plans, in particular the Music and Performing Arts Centre. Successful events were held which promoted the Dragon's vision and needs to all these groups.

The School is also the grateful recipient of grants from the Lynam Educational Fund with which it can provide help with fees to parents whose circumstances unexpectedly change, providing continuity of environment and education for children in a period when their home lives may be radically upset and also towards the School's Bursaries.

Operational performance – Financial

The Trust's accounts reflect its general success as a school; this underpins the School's ability to service the private placement which finances the work of the School and replaced the initial financing to purchase the School's freehold.

Any operating surplus generated by the School is invested in the major capital projects needed to keep the School at the forefront of preparatory education, and in the provision of subsidised

education for children otherwise unable to attend such a school. Inevitably, the demand for capital investment continues to exceed available resources and in setting the fees the Governors have to balance accessibility and fairness to current parents with the investment requirements of a leading school. The School is increasingly reliant on fundraising for capital projects.

Fee income increased during the year due to an increase in the fees, related to increased inflationary pressures seen in the UK. During the year £20,112k (*2022: £18,658*) was generated from fees, 93% of its total income of £21,529k (*2022: £20,938k*).

The other significant element of income is donations and legacies of £539k (*2022: £2,045k*).

The greatest part of the Trust's expenditure is on staff costs which at £11,585k (*2022: £10,823k*) represent 57% (*2022: 55%*) of expenditure; and of these staff costs, £8,670k (*2022: £8,233k*) are spent on teaching, with an additional £1,536k (*2022: £1,194k*) on welfare and pastoral functions.

Finance costs are significant at £1,047k payable (*2022: £640k*), mostly as interest on the School's Private Placement issued Notes. Other non-staff costs include direct expenditure on teaching of £1,195k (*2022: £951k*), premises of £2,289k (*2022: £1,854k*) and welfare of £2,474k (*2022: £2,225k*). Virtually all these costs, staff, finance and other, which are necessary for the charity to meet its objects, represent semi-fixed overheads.

The School spent £6,641k (*2022: £320k*) on fixed assets. This is mainly represented by the investment in the new Music & Performing Arts building, the building of which was still in progress at the year end. It is anticipated that it will be completed in the coming year. Numerous smaller equipment purchases, some funded by donation, have been made throughout the teaching and boarding areas.

The Trust's balance sheet is dominated by the net book value of its fixed assets, mainly freeholds and buildings in progress, of £47,823k (*2022: £41,850k*), including, in particular, the main site purchased in January 2007 for £29,733k. The School's Private Placement was successfully issued in the prior year and this forms the largest part of the liabilities at £30,000k *(2022:£30,000k)*. The other fixed assets are long term investments valued at £4,715k (2022: £3,116k) The current assets are comprised primarily of cash at £21,381k (*2022: £25,898k*) which offset the creditors due within one year of £5,677k (*2022: £3,670k*) which are chiefly comprised of pupil deposits and fees received in advance relating to pupils.

Future plans

The School reviews its strategic framework regularly, and a major review and overhaul of the two existing key documents, comprising of Guiding Principles and Development Strategy, is underway. The key objectives representing the main pillars of School development that were set out in the strategy, as updated for recent developments, are:

Academic Development:

- Maintain a leading position and reputation for innovative and exciting teaching and learning.
- Maximise all children's learning potential by improving thinking skills and proving "value-added".
- Embrace new technologies for children's immediate and future educational benefit.
- Achieve more efficient use of teachers' time and resources.
- Contribute academic and pedagogic resources to the wider community.

Pastoral Development:

- Create structures within the School that assist children, staff and parents to develop clear identities.
- Maximise all opportunities in the School to help provide children with the social skills to develop positive relationships with others.
- Ensure that parents are fully involved in the School's pastoral and welfare initiatives.
- Develop training at all levels to help children, staff and parents develop strategies for understanding and promoting good pastoral care.

ICT Development:

- Provide staff with a more effective and efficient teaching platform at School and at home.
- Ensure a safe and secure ICT environment for the Dragon community.
- Develop the School's cyber-security posture and build resilience into the School's ICT infrastructure.
- To further develop the School's goal of becoming a cloud managed environment.

Social Impact and Public Benefit:

- Widen access further by increasing the expanding the Bursary scheme.
- Establish the School as a recognised leader for pupil-led social benefit initiatives.
- Develop the existing initiatives with local schools.
- Reflect sustainable development through policy and practice at all levels.

Facilities Development:

- Build a new Music and Performing Arts Centre to service the growing musical and performing arts needs and aspirations of the Dragon community.
- Provide residential accommodation to allow the School to recruit and retain the best possible staff.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report 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 Trust and its subsidiary ('the group'), and of the result of the group for that year.

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 Trust and subsidiary's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and subsidiary and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- there is no relevant audit information of which the group's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors are grateful for the tremendous parental support for the School in achieving all that it does. It is the commitment of parents, the leadership of the Head, the effort put into caring for the pupils by the staff, and the energy of those pupils, and the dedicated work of the support staff in all their fields of expertise, which make the School what it is today and enables it to face the future with confidence.

This Governors' Report, which incorporates the Strategic Report, was approved by the Governors and signed on their behalf by:



Andrew Webb, Chairman 16 March 2024

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2023:
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DRAGON SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Dragon School Trust Limited ('the charitable company') and its subsidiary ('the group') for the year ended 31 August 2023 which comprise consolidated statement of financial activities, group and charity balance sheets, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in

the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

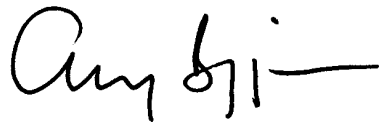
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within bursaries, scholarships and other discounts, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly

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

Use of our report

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



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James' Square
Cheltenham
GL50 3PR

Date: 22 May 2024

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2023:
GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2023	*Total funds 2022*
		£'000	£'000	£'000	*£'000*	*£'000*
INCOME FROM:						
Charitable activities						
School fees	2.	20,112	-	-	20,112	*18,658*
Other educational	3.	39	-	-	39	*80*
Other ancillary trading	4.	-	-	-	-	*5*
Other trading activities						
Non-ancillary trading		54	-	-	54	*109*
Investments						
Investment income	5.	-	4	-	4	*8*
Bank and other interest	6.	781	-	-	781	*33*
Voluntary sources						
Donations and legacies	7.	-	539	-	539	*2,045*
Total income		20,986	543	-	21,529	*20,938*
EXPENDITURE ON:						
Raising funds						
Fundraising for voluntary resources		352	-	-	352	*282*
Trading		6	-	-	6	*28*
Other		48	-	-	48	*59*
Total costs of raising funds		406	-	-	406	*369*
Charitable activities						
Schools and grantmaking		18,629	345	-	18,974	*18,335*
Schools - financing costs	9.	1,047	-	-	1,047	*640*
Total costs of charitable activities		19,676	345	-	20,021	*18,975*
Total expenditure	8.	20,082	345	-	20,427	*19.344*
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		904	198	-	1,102	*1,594*
Investment gains/(losses)		41	23	-	64	*(97)*
NET INCOME		945	221	-	1,166	*1,497*
Fair Value gains	18c.	-	-	-	-	*482*
Transfers between funds	25.	3,790	(3,790)	-	-	-
NET MOVEMENT IN FUNDS		4,735	(3,569)	-	1,166	*1,979*
Fund balances at 1 September 2022		30,312	4,935	448	35,695	*33,716*
FUND BALANCES AT 31 AUGUST 2023		35,047	1,366	448	36,861	*35,695*

All activities are continuing. No separate income and expenditure account as required under the Companies Act 2006 has been presented, as there are no differences between that and the Statement of Financial Activities presented above. The notes on pages 9 to 26 form part of these accounts.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2023:
GROUP AND CHARITY BALANCE SHEETS

	Note	**Group**		Charity	
		2023	***2022***	2023	*2022*
		£'000	***£'000***	£'000	*£'000*
Fixed assets					
Tangible assets	12.	**47,823**	***41,850***	47,823	*41,850*
Investments	15.	**4,715**	***3,116***	4,715	*3,116*
		52,538	***44,966***	52,538	*44,966*
Current assets					
Stock	13.	**7**	***7***	6	*6*
Debtors	14.	**783**	***1,252***	764	*1,249*
Cash at bank and in hand	16.	**21,381**	***25,898***	21,379	*25,809*
		22,171	***27,157***	22,149	*27,064*
Creditors: due within one year	17.	**(5,677)**	***(3,670)***	(5,690)	*(3,640)*
Net current assets		**16,494**	***23,487***	16,459	*23,424*
Total assets less current liabilities		**69,032**	***68,453***	68,997	*68,390*
Creditors: due in more than one year	18.	**(32,171)**	***(32,758)***	(32,171)	*(32,759)*
Total net assets	26.	**36,861**	***35,695***	36,826	*35,631*
Endowment funds		**448**	***448***	448	*448*
Restricted funds		**1,366**	***4,935***	1,366	*4,935*
Unrestricted funds		**35,047**	***30,312***	35,012	*30,248*
Fund balances	25.	**36,861**	***35,695***	36,826	*35,631*

The notes on pages 9 to 26 form part of these accounts.

In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Dragon School Trust Limited. The Trust net income for the year was £1,195k (*2022: £1,923k*).

The financial statements were approved and authorised for issue by the Board of Governors
On 16 March 2024 and were signed below on its behalf by



Andrew Webb, Chairman 16 March 2024

Company number: 00524331

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2023:
GROUP STATEMENT OF CASH FLOWS

	Note	2023		*2022*	
		£'000	£'000	*£'000*	*£'000*
Net cash inflow from operations	(a).		3,855		*2,792*
Cash flows from investing activities					
Interest paid		(1,036)		*(640)*	
Interest received		781		*33*	
Receipts from disposals of fixed assets		5			
Receipts from disposals of investments		63		-	
Payments for investments		(1,600)		*(1,600)*	
Investment income receipts		4		*8*	
Payments for tangible fixed assets		(6,641)		*(320)*	
Net cash used in investing activities			(8,424)		*(2,519)*
Cash flows from financing activities					
Receipts from prepaid fees scheme		772		*597*	
Payments from prepaid fees scheme		(720)		*(204)*	
Additional borrowing		-		*30,000*	
Loan repayments		-		*(14,289)*	
Net cash used in financing activities			52		*16,104*
Change in cash and cash equivalents in the reporting period			(4,517)		*16,377*
Cash and cash equivalents at the beginning of the reporting period			25,898		*9,521*
Cash and cash equivalents at the end of the reporting period			21,381		*25,898*

Charity law requires separate administration of the cashflows of endowed and other restricted funds of the Trust. This constraint has not adversely affected group cashflows as stated above.

a) Reconciliation of net income to cash flow from operating activities	2023 £'000	*2022 £'000*
Net income	1,166	*1,979*
Investment (gains)/losses	(64)	*97*
Fair value (gains)	-	*(482)*
Interest payable	1,047	*640*
Interest receivable	(781)	*(33)*
Investment income	(4)	*(8)*
Depreciation charges	665	*804*
(Increase) in stocks	-	*(1)*
Decrease/(increase) in debtors	469	*(488)*
Increase/(decrease) in creditors	1,357	*284*
Net cash inflow from operating activities	3,855	*2,792*

b) Analysis of cash flows and net debt

	1 Sept 2022	Cashflow	Other movements	31 Aug 2023
	£'000	£'000	£'000	£'000
Cash at bank and in hand	25,898	(4,517)	-	21,381
Debt: bank loans	(30,000)	-	-	(30,000)
	(4,102)	(4,517)	-	(8,619)

The notes on pages 9 to 26 form part of these accounts.

1. ACCOUNTING POLICIES

a) General information
The School is a Public Benefit Entity, registered as a charity (charity number: 309676) and company limited by guarantee (company number: 524331). The School's registered office address is: Dragon School, Bardwell Road, Oxford, OX2 6SS.

b) Basis of accounting
The accounts are prepared under the historical cost convention as modified by the revaluation of listed investments, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Second Edition, Effective 1 January 2019.

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 functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates. The balances in the accounts are rounded to the nearest thousand.

c) Consolidation/ group accounts
The Trust has beneficial ownership of 100% of the share capital of Dragon School Trading Limited. The group accounts consolidate the results of this subsidiary, which are summarised in note 28. As the subsidiary pays any taxable profits to the parent, the surplus dealt with in the parent company's accounts is identical to that shown on the group income and expenditure account. The Trust's Governors represent the ultimate controllers of the group.

d) Critical accounting judgements and estimates and key sources of estimation uncertainty
In the application of these accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. The Governors consider the following items to be areas subject to estimation and judgement:

Depreciation:
The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Although tangible fixed assets are significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically, no changes have been required.

1. ACCOUNTING POLICIES (continued)

Impairment of debtors:
The School makes an estimate of the recoverable value to trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's accounts.

e) Income – fees and similar income
Income is recognised, in general, only with respect to the period of account and are stated after deducting Bursaries, scholarships and other remissions allowed by the School. Fees paid with respect to future terms are carried forward as liabilities; and donations of any sort are included only when resources are irrevocably transferred. School fees include extras. Other Educational Income primarily consists of registration fees and income from the hiring out of some of the school's facilities at certain times during the year. Income from such sources is recognised over the period in which the relevant service is delivered.

f) Income – donations
Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Donations received for the general purposes of the School are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are credited to the relevant Restricted Funds or Endowment Funds.

g) Income – investments
Interest is included on an accruals basis. Dividends from investment funds are included as receivable on the due dates.

h) Expenditure
With respect to resources expended running the school, 'property' includes costs of maintaining the buildings used for educational purposes, while 'welfare' include boarding and catering costs; 'support' represents other costs of servicing the direct teaching function, including governance costs. Irrecoverable VAT is included with the item of expense to which it relates in all cases. Overheads and other costs not directly attributable to a functional activity are apportioned on the basis of management estimates consistently applied.

Redundancy and termination costs only occur where absolutely necessary and are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

i) Fund accounting
The School has three types of funds
- Restricted - where the purpose for which the funds may be used has been restricted by donors;
- Endowment - where the capital is held in perpetuity to generate distributable income; and
- Unrestricted - where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted but the Governors have designated them for a specific purpose.

j) Tangible fixed assets
Land and buildings are shown at original cost. Fixtures and fittings are capitalised when they are included in the provision of additional facilities, such as when a building is extended or converted; other fixtures and fittings are charged to revenue in the year of purchase. Equipment costing over £1k is capitalised.

1. ACCOUNTING POLICIES (continued)

Depreciation is provided on all assets other than freehold land. Assets under constructions are not depreciated until they are completed and brought into use. Freehold buildings are amortised on a straight line basis, taking into account their estimated residual value, which in the case of education-specific buildings is considered negligible but in the case of residential property is expected to approximate their original costs. Leasehold land and buildings are amortised over the period of the lease. With respect to other assets depreciation is provided at straight line on cost.

The estimated lifetimes of various types of assets in use are:

Freehold buildings	50 years
Other	3-10 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

k) Operating lease rentals
Rentals paid under operating leases are charged to the Statement of Financial Activities (SoFA) on a straight line basis over the period of the lease.

l) Investments
Investments are a form of basic financial instrument and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Gains and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses are calculated as the difference between sale proceeds and opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value of investments at the year-end and their carrying value. Realised and unrealised investment gains and losses are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investment subsidiaries are valued at cost less provision for impairment.

m) Stock
Stock of consumables held at the year-end are valued at cost, subject to their usability. Stock held for resale is valued at the lower of cost and net realisable value. Purchases of educational materials for the next academic year are carried forward as prepayments.

n) Debtors
Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

o) Cash at bank and in hand
Cash at bank and in hand includes cash and deposits with a short term maturity of six months or less from the date of opening the deposit account.

p) Creditors
Creditors are recognised where the School has a present obligation arising 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 reliably. Amounts are recognised at their settlement amount.

1. ACCOUNTING POLICIES (continued)

q) Financial instruments

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

Financial assets / liabilities held at fair value through the profit or loss comprise derivatives. Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the SoFA as a fair value movement. The School does not currently apply hedge accounting for interest rate swap derivatives.

r) Pension costs

Pension costs represent contributions under defined contribution schemes' costs in the current year.

2. CHARITABLE ACTIVITIES - SCHOOL FEES	2023	*2022*
	£'000	*£'000*
School fees and extras	20,941	*19,360*
less scholarships, Bursaries and grants	(1,174)	*(1,097)*
	19,767	*18,263*
Bursaries paid from restricted funds	345	*395*
	20,112	*18,658*

3. CHARITABLE ACTIVITIES – OTHER EDUCATIONAL	2023	*2022*
	£'000	*£'000*
Registration fees	39	*47*
Courses & conferences	-	*33*
	39	*80*

4. CHARITABLE ACTIVITIES – ANCILLARY TRADING	2023	*2022*
	£'000	*£'000*
Commission and similar income	-	*5*
	-	*5*

5. INVESTMENT INCOME	2023	*2022*
	£'000	*£'000*
Listed and other investments	4	*8*
	4	*8*

6. BANK AND OTHER INTEREST	2023	*2022*
	£'000	*£'000*
Bank interest	757	*21*
Other	24	*12*
	781	*33*

7. DONATIONS AND LEGACIES	2023	*2022*
	£'000	*£'000*
Donations and legacies for:		
Bursaries	345	*379*
Other	194	*1,666*
	539	*2,045*

8a. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs	Depr'n	Other	2023 Total
	£'000	£'000	£'000	£'000
Cost of raising funds				
Fundraising for voluntary resources	256	-	96	352
Trading costs	-	-	6	6
Other costs	-	-	48	48
Total cost of raising funds	256	-	150	406
Charitable activities				
Schools and grantmaking				
Teaching	8,670	36	1,195	9,901
Welfare	1,536	9	2,474	4,019
Premises	171	396	2,289	2,856
Support costs of schooling (including governance – note 8c)	952	224	677	1,853
Grants, awards and prizes (note 8b)	-	-	345	345
	11,329	665	6,980	18,974
Schools - financing costs (note 9)	-	-	1,047	1,047
Total costs of charitable activities	11,329	665	8,027	20,021
Total expenditure	11,585	665	8,177	20,427

No allocation has been made of senior management time spent on governance matters as such time is additional to full time roles providing support to the School's teaching. Staff costs are further detailed in note 10.

8a. ANALYSIS OF TOTAL EXPENDITURE (cont'd)

Prior year comparative information

	Staff costs	Depr'n	Other	2022 Total
	£'000	£'000	£'000	£'000
Cost of raising funds				
Fundraising for voluntary resources	*220*	-	*62*	*282*
Trading costs	-	-	*28*	*28*
Other costs	-	-	*59*	*59*
Total cost of raising funds	*220*	-	*149*	*369*
Charitable activities				
Schools and grantmaking				
Teaching	*8,233*	*26*	*951*	*9,210*
Welfare	*1,194*	*13*	*2,225*	*3,432*
Premises	*187*	*412*	*1,854*	*2,453*
Support costs of schooling (including governance – note 8c)	*987*	*353*	*1,505*	*2,845*
Grants, awards and prizes (note 8b)	-	-	*395*	*395*
	10,601	*804*	*6,930*	*18,335*
Schools - financing costs (note 9)	-	-	*640*	*640*
Total costs of charitable activities	*10,601*	*804*	*7,570*	*18,975*
Total expenditure	*10,821*	*804*	*7,719*	*19,344*

8b. GRANTS, AWARDS AND PRIZES

	2023	*2022*
	£'000	*£'000*
From Restricted Funds:		
Bursaries and other grants and awards	345	*395*
	345	*395*

8c. GOVERNANCE COSTS

	2023	*2022*
	£'000	*£'000*
Auditors' remuneration – audit (Group)	25	*14*
Auditors' remuneration – audit (subsidiary)	3	*2*
Auditors' remuneration – non-audit	-	*2*
Reimbursement of expenses to Governors	2	*1*
Other governance costs	58	*98*
	88	*117*

9. FINANCING COSTS	2023	*2022*
	£'000	*£'000*
Interest payable is due on:		
Bank loans and overdrafts	1,036	*629*
Discounts allowed on prepaid fees	11	*11*
	1,047	*640*

Financing costs are included in costs of charitable activities as part of the operation of the School.

10. EMPLOYEES	2023	*2022*
	£'000	*£'000*
Staff costs:		
Wages and salaries	9,344	*8,716*
National Insurance	946	*872*
Pension costs	1,215	*1,143*
Severance pay	80	*92*
	11,585	*10,823*
The numbers of employees whose remuneration was over £60k		
(including severance pay) fell into the following bands:	No.	*No.*
£60 - £70k	10	*3*
£70 - £80k	4	*2*
£80 - £90k	4	*4*
£90 - £100k	1	*-*
£110-£120k	-	*3*
£120-£130k	1	*-*
£130-£140k	1	*-*
£140-£150k	-	*1*
£150-£160k	1	*-*
These higher paid staff had defined	£'000	*£'000*
contribution pension schemes, total cost:	231	*158*
Total pension costs were made up of:	£'000	*£'000*
Defined contribution schemes	1,215	1,143
	1,215	1,143

The total employment costs of key management personnel, who are considered to consist of the Head, Head of the Pre-prep, the Chief Operating Officer, the Governors and the Deputy Heads during the year was £738k (*2022: £900k*).

The Governors did not receive any remuneration. The accounts do not estimate the value of their time and expertise in governance and support roles, though this is considerable. Three (*2022: Five*) Governors received travel and caring expenses during the year totalling £2k (*2022: £1k*).

10. EMPLOYEES (continued)

The average number of employees, based on head count, excluding Governors, was:	2023 No.	*2022* No.
Teaching	197	*204*
Pensioners	3	*5*
Support staff	112	*106*
Development	3	*3*
	315	*318*

11. TAXATION

As a registered charity the Trust does not pay corporation tax on surpluses arising from its charitable activities. The Trust's subsidiary, Dragon School Trading Limited, pays corporation tax on profits, but these are nil for tax purposes after allowing for the payment of profits to the parent company as a charge.
The Trust suffers irrecoverable VAT on all purchases other than those made by its subsidiary trading company. Irrecoverable VAT paid to HMRC totalled approximately £620k (*2022: £601k*) during the year.

12. TANGIBLE FIXED ASSETS (group *and* parent company) for own use:

	Assets in Course of Construction (restated)	Freehold Property (restated)	Motor vehicles	Other	TOTAL
	£'000	£'000	£'000	£'000	£'000
Cost					
at 1 September 2022	460	48,068	210	6,973	55,711
additions	5,686	488	-	467	6,641
disposals	-	-	(30)	-	(30)
at 31 August 2023	6,146	48,556	180	7,440	62,322
Depreciation					
at 1 September 2022	-	7,512	206	6,143	13,861
charge	-	320	1	344	665
released	-	-	(27)	-	(27)
at 31 August 2023	-	7,832	180	6,487	14,499
Net book value					
at 1 September 2022	*460*	*40,556*	*4*	*830*	*41,850*
at 31 August 2023	6,146	40,724	-	953	47,823

The opening balances in the table above have been restated as the Assets in course of construction in place at 31 August 2022 were reported within the Freehold Property section in the prior year accounts.

The rebuild cost of properties included in freehold was approximately £75,540k at the most recent insurance review (September 2023), though this does not include the value of the land itself. Governors are of the opinion that the current market value of freeholds is considerably in excess of the historical cost shown. With respect to other assets (fixtures, fittings and equipment), these are insured for £4,370k. These values are cited merely for comparison with the historical cost figures shown above. The School does not own any heritage assets.

Virtually all assets held are used for the purposes of the School's operation; some small proportion is used for management and trading, but identification of the amounts involved is not practicable.

13. STOCKS

	Group		Parent company	
	2023	*2022*	2023	*2022*
	£'000	*£'000*	£'000	*£'000*
Goods for resale	1	*1*	-	-
Consumables	6	*6*	6	*6*
	7	*7*	6	*6*

14. DEBTORS

	Group		Parent company	
	2023	*2022*	2023	*2022*
	£'000	*£'000*	£'000	*£'000*
Trade debtors	466	*406*	447	*403*
Amount owed by subsidiary	-	-	-	-
Loans	13	*9*	13	*9*
Prepayments	236	*269*	236	*269*
Accrued income	68	*568*	68	*568*
	783	*1,252*	764	*1,249*

15. INVESTMENTS

	Group and parent company	
	2023	*2022*
Investments are shown at market value:	£'000	*£'000*
Other U.K. listed investments held as fixed assets	4,715	*3,116*
	4,715	*3,116*
Historical cost:	4,300	*2,755*
Value of investments:		
brought forward	3,116	*1,613*
disposals at value brought forward	(63)	-
acquired	1,600	*1,600*
change in unrealised values	62	*(97)*
carried forward	4,715	*3,116*

16. CASH AT BANK AND IN HAND

	Group		Parent company	
	2023	*2022*	2023	*2022*
	£'000	*£'000*	£'000	*£'000*
Cash on deposit	21,357	*25,894*	21,357	*25,805*
Current bank accounts and petty cash	24	*4*	22	*4*
	21,381	*25,898*	21,379	*25,809*

17. CREDITORS: DUE WITHIN ONE YEAR	Group		Parent company	
	2023	*2022*	2023	*2022*
	£'000	*£'000*	£'000	*£'000*
Trade creditors	1,493	*827*	1,493	*824*
Amount owed to subsidiary	-	-	19	-
Taxation and social security	265	*267*	265	*251*
Accruals	868	*627*	862	*616*
Deferred income				
- fees received in advance	1,729	*1,276*	1,729	*1,276*
- deposits held	644	*489*	644	*489*
- prepaid fees scheme	678	*184*	678	*184*
	5,677	*3,670*	5,690	*3,640*

18a. CREDITORS: DUE IN IN MORE THAN ONE YEAR	Group and parent company	
	2023	*2022*
	£'000	*£'000*
Bank loans	30,000	*30,000*
Deferred income: prepaid fees	280	*711*
Deposits held	1,891	*2,047*
Interest rate swap derivative	-	-
	32,171	*32,758*

18b. ANALYSIS OF LONG TERM CREDITORS

Long term creditors are due in less than five years except as follows:

Bank loans:		
due within one year	-	-
due between two and five years	-	-
due in more than five years	30,000	*30,000*
	30,000	*30,000*
Deferred income - prepaid fees 19.		
due within one year	678	*184*
due between two and five years	165	*711*
due in more than five years	115	-
	958	*895*
Deposits held:		
due within one year	644	*489*
due between two and five years	1,441	*1,625*
due in more than five years	450	*422*
	2,535	*2,536*

18c. LONG TERM CREDITORS: EXPLANATORY NOTES

On 18 March 2022, the School issued £30m of Senior Secured notes in a Private Placement to Canada Life Limited and Canada Life Assurance Company. These Notes have a fixed interest rate of 3.41% and are due for repayment on 29 April 2050.

19. PREPAID FEES ACCOUNT

	Group and parent company	
	2023	*2022*
	£'000	*£'000*
Balance at the beginning of the year	895	*491*
New contracts	772	*597*
Amounts accrued to contracts as debt-financing costs	11	*11*
Amounts used in payment of fees		
– to the School	(663)	*(204)*
– to other Schools	(57)	-
Balance at year end	958	*895*

20. PENSIONS

Up to 1 September 2021, the majority of the staff participated in one of two pension schemes: the Teachers' Pension Scheme (TPS) run by the Teachers' Pension Agency specifically for teaching staff, and a defined contribution scheme for other staff, with Scottish Widows.

On 1 September 2021, the School left the TPS scheme and the defined contribution scheme with Scottish Widows was closed. The school operates a defined contribution scheme with Royal London which all staff can join. The assets of the scheme are held separately from the Trust in an independently administered fund. The employer contributes up to 16.48% corresponding to employees' chosen contribution rates.

Included within salary costs are payments to certain former staff members or their spouses whose pension provision prior to the School adopting the Teachers' Pension Scheme was inadequate during their employment. The total amount paid was £12k (*2022: £20k*). The Trust is under no legal obligation to continue with these payments and accordingly the accounts do not include any estimate, actuarial or otherwise, of a possible total future commitment.

21. RELATED PARTIES

Five *(2022: Four)* of the Governors had children at the School during the year, for which they are charged normal fees and extras as agreed in the standard parent-school contract.

In addition to assisting the school in raising funds, Governors themselves make charitable donations to the school from time to time, but there is no requirement to do so. The total charitable contributions in the year from Governors was £5k (*2022: £2k*).

The School also had transactions with its subsidiary company, Dragon School Trading Limited, which are detailed in note 28.

There were no other related party transactions in the current or previous year.

22. CAPITAL COMMITMENTS

The School had capital commitments of £6,192k (*2022: none*) with respect to building contracts in progress at the year-end. There were no amounts committed but not yet contracted.

23. FINANCE LEASE COMMITMENTS

The School has no future minimum lease commitments under non-cancellable finance leases.

24. OPERATING LEASE COMMITMENTS

The School had total future minimum lease commitments under non-cancellable operating leases as follows:

	Group and parent company	
	2023	*2022*
Other	£'000	*£'000*
Due within 1 year	68	*2*
Due 2-5 years	247	*12*

The total operating lease expense recognised in the SoFA for the year is £36k (*2022: £15k*).

25. FUNDS: DETAILED MOVEMENTS

	Balance at 1 Sept 2022	Incoming resources	Outgoing resources	Investment gains/ (losses)	Transfers between funds	Balance at 31 Aug 2023
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	445	-	-	-	-	445
	448	-	-	-	-	448
RESTRICTED FUNDS						
Knatchbull Memorial fund	73	24	-	8	-	105
Bursaries funds	933	345	(345)	15	-	948
Capital fund	3,663	127	-	-	(3,790)	-
Development fund	266	47	-	-	-	313
	4,935	543	(345)	23	(3,790)	1,366
UNRESTRICTED FUNDS						
Prepaid fees	-	-	(11)	-	11	-
General fund	30,255	20,932	(20,054)	41	3,836	35,010
	30,255	20,932	(20,065)	41	3,847	35,010
CHARITY total funds	35,638	21,475	(20,410)	64	57	36,824
Non-charity trading funds	57	54	(17)	-	(57)	37
GROUP	35,695	21,529	(20,427)	64	-	36,861

Prior year comparative information	*Balance at 1 Sept 2021*	*Incoming resources*	*Outgoing resources*	*Investment gains/ (losses)*	*Transfers between funds*	*Balance at 31 Aug 2022*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
ENDOWMENT FUND	*3*	*-*	*-*	*-*	*-*	*3*
ENDOWED BURSARIES FUND	*445*	*-*	*-*	*-*	*-*	*445*
	448	*-*	*-*	*-*	*-*	*448*
RESTRICTED FUNDS						
Knatchbull Memorial fund	*76*	*3*	*(1)*	*(5)*	*-*	*73*
Bursaries funds	*1,300*	*447*	*(394)*	*(25)*	*(395)*	*933*
Capital fund	*2,151*	*1,512*	*-*	*-*	*-*	*3,663*
Development fund	*212*	*86*	*-*	*-*	*(32)*	*266*
	3,739	*2,048*	*(395)*	*(30)*	*(427)*	*4,935*
UNRESTRICTED FUNDS						
Prepaid fees	*-*	*-*	*(11)*	*-*	*11*	*-*
General fund	*29,521*	*18,781*	*(18,886)*	*415*	*424*	*30,255*
	29,521	*18,781*	*(18,897)*	*415*	*435*	*30,255*
CHARITY total funds	*33,708*	*20,829*	*(19,292)*	*385*	*8*	*35,638*
Non-charity trading funds	*8*	*109*	*(52)*	*-*	*(8)*	*57*
GROUP	*33,716*	*20,938*	*(19,344)*	*385*	*-*	*35,695*

26. FUNDS: NET ASSETS	Fixed Assets	Invest-ments	Other net current assets	Long term liabilities	Total net Assets at 31 Aug 2023
	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	420	25	-	445
	-	420	28	-	448
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	63	42	-	105
Bursaries funds	-	985	(37)	-	948
Development fund	-	-	313	-	313
	-	1,048	318	-	1,366
UNRESTRICTED FUNDS					
Prepaid fees	-	-	165	(165)	-
General fund	47,823	3,247	15,946	(32,006)	35,010
	47,823	3,247	16,111	(32,171)	35,010
CHARITY total funds	47,823	4,715	16,457	(32,171)	36,824
Non-charity trading funds	-	-	37	-	37
GROUP	47,823	4,715	16,494	(32,171)	36,861

Prior year comparative information	*Fixed Assets*	*Invest-ments*	*Other net current assets*	*Long term liabilities*	*Total net assets at 31 Aug 2022*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
ENDOWMENT FUND	-	-	*3*	-	*3*
ENDOWED BURSARIES FUND	-	*417*	*28*	-	*445*
	-	*417*	*31*	-	*448*
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	*63*	*10*	-	*73*
Bursaries funds	-	*977*	*(44)*	-	*933*
Capital fund	-	-	*3,663*	-	*3,663*
Development fund	-	-	*266*	-	*266*
	-	*1,040*	*3,895*	-	*4,935*
UNRESTRICTED FUNDS					
Prepaid fees	-	-	*711*	*(711)*	-
General fund	*41,850*	*1,659*	*18,794*	*(32,048)*	*30,255*
	41,850	*1,659*	*19,505*	*(32,759)*	*30,255*
CHARITY total funds	*41,850*	*3,116*	*23,431*	*(32,759)*	*35,638*
Non-charity trading funds	-	-	*57*	-	*57*
GROUP	*41,850*	*3,116*	*23,488*	*(32,759)*	*35,695*

27. FUNDS: EXPLANATORY NOTES

a) The Endowment fund represent amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources.
Additional fee concessions and support are provided from the general fund.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the school's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes as funds are transferred to the General fund when spent.

f) The 'Capital fund'represented unspent donations raised for building projects – primarily the Music School. Amounts spent on the specific buildings have been transferred from the Capital fund to the general fund in the year the expenditure is incurred and the balance is zero at the year end due to the fact that the Music School and other projects are sufficiently advanced to have incurred the relevant expenditure.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments in government stocks and cash deposits are held against the future liabilities.

28. TRADING SUBSIDIARY

The Trust holds 100 ordinary shares of £1 each, representing 100% of the issued share capital of Dragon School Trading Limited, a company incorporated in England and Wales. The value of the investment as determined by the equity method is £100. These shares are included on the parent company balance sheet as investments held as fixed assets:

	2023	*2022*
	£	*£*
Shares in subsidiary company at cost	100	*100*

The Trust advances working capital as necessary to the trading company to finance its operations. Interest is charged on the amount outstanding from time to time at the same rate as charged by the Trust's bankers.

The Trading company's results for the year, and balance sheet at the year end, from the audited accounts, are summarised below:

	2023	*2022*
	£'000	*£'000*
Turnover	54	*109*
Cost of sales	(6)	*(29)*
Gross profit	48	*80*
Administration expenses	(13)	*(23)*
Profit for the financial year	35	*57*
To be paid to Dragon School Trust Ltd under gift aid	35	*57*
Generated for parent company:		
Surplus above	35	*57*
Management charges from Trust	4	*4*
	39	*61*
Current assets	21	*93*
Intercompany account	19	*(6)*
Current liabilities	(5)	*(30)*
Net assets	35	*57*
Called up share capital	-	*-*
General reserves	35	*57*
	35	*57*

29. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2022
	£'000	£'000	£'000	*£'000*
INCOME FROM:				
Charitable activities				
School fees	18,658	-	-	18,658
Other educational	80	-	-	80
Other ancillary trading	5	-	-	5
Other trading activities				
Non-ancillary trading	109	-	-	109
Investments				
Investment income	5	3	-	8
Bank and other interest	33	-	-	33
Voluntary sources				
Donations and legacies	-	2,045	-	2,045
Government grants	-	-	-	-
Total income	18,890	2,048	-	20,938
EXPENDITURE ON:				
Raising funds				
Fundraising for voluntary resources	282	-	-	282
Trading	28	-	-	28
Other	59	-	-	59
Total costs of raising funds	369	-	-	369
Charitable activities				
Schools and grantmaking	17,940	395	-	18,335
Schools - financing costs	640	-	-	640
Total costs of charitable activities	18,580	395	-	18,975
Total expenditure	18,949	395	-	19.344
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)	(59)	1,653	-	1,594
Investment gains/(losses)	(67)	(30)	-	(97)
NET INCOME	(126)	1,623	-	1,497
Fair Value gains	482	-	-	482
Transfers between funds	427	(427)	-	-
NET MOVEMENT IN FUNDS	783	1,196	-	1,979
Fund balances at 1 September 2022	29,529	3,739	448	33,716
FUND BALANCES AT 31 AUGUST 2023	30,312	4,935	448	35,695

DRAGON SCHOOL TRUST LIMITED

England & Wales - Charity number 309676

Accounts

DRAGON SCHOOL TRUST LIMITED

GROUP ACCOUNTS FOR THE YEAR ENDED

31 AUGUST 2022

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Company number: 524331

Registered charity number: 309676

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2022:
SUMMARY REVIEW BY THE CHAIR OF GOVERNORS AND HEAD

Summary Review by the Chair of Governors and Head

This period marks an exciting new chapter in the Dragon's history with Emma Goldsmith tsking over as Head in September 2021. Emma has brought a wealth of experience from across the sector spanning prep, senior, day and boarding.

The children's experience continues to be exceptional with 61 pupils achieving scholarships or awards to a wide variety of senior schools. Dragon Quest continues to thrive with the offering now available to all year groups. Testimony to the success of the initiative is that over 90% of our pupils elect to come to School on a Saturday morning to participate in one of over 50 activities on offer. A new initiative has been to introduce Quest Prime where parents can come and take part in activities specifically designed for them. The Quest initiative was recognised nationally by winning a national award for innovation in education.

As result of school wide consultation, the Governors and Executive published its school development plan with a set of objectives and annual targets. These targets are focused on a clearly defined aim of the School to inspire, encourage and develop free thinking confident young people who reach for the sun.

The Governance structure has been adjusted to better support decision making and the realisation of our objectives. Specifically, new governors have joined the board to support with Risk and Compliance and business development. Improving Equality, Diversity and Inclusion is a priority all across the School, up to and including at board level.

The School was successful in securing a private placement in March 2022. This enabled the Dragon to refinance the loan used to purchase of the freehold in 2007 and gives the School sufficient financial headroom to deliver our strategic plan.

The Development Office were recognised by a national award for their bursary fundraising campaign. This award recognised the School's strategic success in its objective to build an endowment to support transformational bursaries.

In particular, the decision was taken to proceed with the build of the Music and Performing Arts Centre, enabling works to commence at the end of the reporting period. The summer also saw a period of extensive refurbishment work across the estate including a modernisation of the Dining Hall, a thorough refit of 3 boarding houses, and further upgrades to many of the classrooms.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2022:
GOVERNORS, ORGANISATIONAL STRUCTURE, OFFICERS AND ADVISERS

Dragon School Trust Limited ("Dragon School" or "Trust") is a company registered under the Companies Act 2006 and a registered charity. It is a company limited by guarantee; the liability of members of the company is limited to £1 each. The Governors of Dragon School are trustees of the charity, and directors and members of the company. Those serving during the year are as follows:

C Alexander	G	
M Breen	A R	
G P Candy	G P °	(resigned 31 August 2022)
J C Edmondson	G* P	
Dr H R Gurprashad		(appointed 1 September 2021)
D C Goatman	G	(appointed 19 February 2022)
N L Helliwell	A	
C I M Jones	B G P R + °	
S J Kerr-Dineen	A °	
Dr M Letts OBE		
Prof Dame A R McLean	A B IT	(resigned 1 May 2022)
N Millard	Sa	
N D Portwood	°	
R C W Rambaut		(appointed 20 May 2022)
I A Van Every		(appointed 20 May 2022)
W A Webb	B G T IT P R °	

Subsequent to the year end M Witherick was appointed on 1 January 2023.

Committee memberships and other groups (as at the end of year):

A	Academic Committee
B	Bursaries Committee
G	General Purposes Committee
P	Property Working Group
R	Nominations and Remuneration Committee
S	Social Responsibility Committee
Sa	Safeguarding Children
IT	IT Steering Group
T	Dragon School Trading Ltd
+	Old Dragon
*	Current parent
°	Former parent

Board and committees

The Board of Governors is a self-appointing body. Governors hold office for six years, whereupon they may be reappointed. Governors normally retire at the age of 70. There may be no more than 20 and no fewer than seven Governors. All committees and groups report to the main Board. The Board and other committees and groups routinely meet three times a year and at other times as necessary.

The Academic Committee was the forum for academic discussion in which Governors and staff participate equally. From 1 September 2022, this committee has been renamed the Education Committee, to more fully represent the whole curriculum.

The Bursaries Committee proposes policy to the Governing Body and considers all applications for means tested awards and grants. From 1 September 2022, the work of this committee has been taken on by the new Social Impact Committee.

The General Purposes Committee (GPC) has particular responsibility for the School's finances and financial strategy, but also considers risk, health & safety and compliance matters. From 1 September 2022, these responsibilities were passed onto two new Committees, the Finance Committee, which has taken responsibility for the School's finances and financial strategy, and the Risk & Compliance Committee, which considers risk, health & safety and compliance matters.

The Nominations and Remuneration Committee is tasked with reviewing the membership of the Governing Body, recommending new Governors for GB approval, and for reviewing the performance and remuneration of Head and Chief Operating Officer, reporting via the Chairman to the Board of Governors.

The Safeguarding Children Committee ensures Board-level review and responsibility for safeguarding children; other members are senior pastoral staff. From 1 September 2022, this committee was renamed the Safeguarding and Mental Health Committee, with a more defined emphasis on Mental Health as part of its responsibilities.

The Social Responsibility Committee oversees the development and implementation of the School's charitable, social, economic and environmental policies. The activities of this Committee are currently paused while its remit is reviewed. From 1 September 2022, this committee has been renamed the Social Impact Committee, taking responsibility for the Bursary programme in addition to its existing activities.

Other steering groups are appointed and meet as necessary, including the Property Working Group & the IT Steering Group.

Advisors

The Trust appoints professional advisors to deal with specialist matters from time to time. All contracts are subject to periodic review as circumstances merit.

Architects:	Berman Guedes Stretton	Oxford
	MEB Design	Oxford
Auditors:	Haysmacintyre LLP	London
Bankers:	Barclays Bank	Oxford
	Coutts & Co	London
Insurance brokers:	Marsh Brokers	Haywards Heath, West Sussex
Pension advisors:	Succession Wealth	Aylesbury, Buckinghamshire
Solicitors:	Freeths	Oxford
	Blake Morgan	Oxford
	VealeWasboroughVizards	London
Surveyors:	Sidleys	Oxford
	McBains Cooper	Oxford

Registered office and address for correspondence:

Dragon School
Bardwell Road
Oxford
OX2 6SS

Web-site: www.dragonschool.org
e-mail contact: Bursar@dragonschool.org

The Head is E Goldsmith.

The Company Secretary and Chief Operating Officer is M R Johnson.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2022:
GOVERNORS' REPORT

The Governors present their annual report and audited accounts for the year ended 31 August 2022 in compliance with current statutory requirements for companies and charities and the company's Memorandum and Articles of Association. This report, together with the preceding pages, incorporates the information required for the directors' report and strategic report under the Companies Act. Comparative figures in the accounts are for the year ended 31 August 2021.

REFERENCE AND ADMINISTRATIVE INFORMATION

Dragon School was founded in 1877. It was incorporated in 1953 as a company limited by guarantee and registered at Companies House, number 524331. It is registered with the Charity Commission under charity number 309676. The Governors, principal executive officers and advisers, together with contact details for the School, are given on pages ii to iv.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Dragon School is governed by its Memorandum and Articles of Association dating from 1953 and last amended in November 2008.

Governing Body

Overall responsibility for Dragon School rests with the Governors, who are listed on page ii together with information regarding their tenure and committee membership.

Recruitment and training of Governors

New Governors are appointed at a meeting of the Board on the basis of recommendations made by the Nomination and Remuneration Committee ("NRC"). Recommendations are made following an interview process with members of the NRC and on the basis of the requirements of the Board in terms of skills and expertise.

New Governors receive an introduction and induction led by the Chief Operating Officer on behalf of the Chair of Governors. This covers a range of information including general governance matters, together with more detailed discussions of strategic priorities and finances. Further opportunities to attend appropriate seminars and training events are offered when they occur.

Organisation and management

The Governors, as the trustees of the Charity, are legally responsible for the overall management and control of the School. The Board of Governors meets at least once a term, receiving reports from committees which meet with similar frequency.

The day to day running of the School is delegated to the Head and Chief Operating Officer, supported by the Senior Leadership Team and staff. Generally the Head and Chief Operating Officer

attend all Governors' and Committee meetings, except those of the Nominations and Remuneration Committee and when restricted business is discussed.

Key Management

Key Management Personnel are defined as the Head, Chief Operating Officer, Head of Pre-Prep and the Deputy Heads.

Remuneration

Remuneration is set by the Governing Body with the overall objective of ensuring appropriate recognition and incentive to encourage exceptional performance. Remuneration must be fair and responsible, and the appropriateness of the School's remuneration is reviewed periodically; this includes benchmarking with other schools in both independent and maintained sectors. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to develop and grow.

Group structure and relationships

Dragon School has a wholly owned trading company, Dragon School Trading Limited (company number 1379919), which is used to generate income for the School through the hire of facilities, the sale of Dragon-related souvenirs and second-hand clothing. All residual profits are paid to the Trust under gift aid.

Dragon School has a relationship with two other charities, 'The Lynam Educational Fund' (274993), whose objects include assistance with school fees in cases of need, and 'The Dragon Christmas Charity Sale' (1106073), which raises money for charities helping children and families. The School provides support in the form of staff time to these charities, but as the School does not control these charities, their activities and financial results are not included within these reports and accounts, except to the extent that they have donated to the School.

The School actively supports the independent schools' sector, and contributes to the furtherance of educational standards and the quality of pastoral care, through participation in and subscription to umbrella organisations such as IAPS and BSA and through exam setting and curriculum review processes. The School has also developed links with a number of schools and charities overseas both through regular contacts and as opportunity and need arise.

The School continues to promote the use of its facilities at a discounted rate or, where appropriate, gratis. This includes the use of playing fields, astro-pitches, Lynam Hall and music facilities by local schools and other community groups and charities, and in particular those involved in educational or child-related activities.

CHARITABLE OBJECTS, AIMS AND OBJECTIVES

Charitable objects

Dragon School's charitable objects are set out in the Memorandum and Articles of Association. The primary object is to advance the education of the public by acquiring and carrying on any school or schools for the education of children and young adults and by ancillary or incidental educational activities and other associated activities for the benefit of the community. In pursuit of these objects the School operates the Dragon Prep School at Bardwell Road for boys and girls from 8 to 13 years old and the School's Pre-Prep, Dragon Pre-Prep, on a separate site. Dragon Pre-Prep takes boys and girls from the age of 4.

In setting the School's objectives, and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit as updated in September 2013. The School's commitment to providing financial support to pupils whose parents could not otherwise afford to consider a Dragon education predates the 2006 Charities Act and subsequent guidance from the Charities Commission. The pursuit of wider access to the School is held to be of benefit to all Dragon pupils. To support with these goals, the School manages a number of restricted funds to be used in connection with the development of the School's facilities, and the provision of Bursaries, prizes and other educational purposes.

Aims

The Dragon intends to provide a wide-ranging educational experience for all children, stretching all to the best of their respective abilities in academic, artistic, sporting, cultural and social activities. Although excellence is achieved by pupils in many fields, particularly academic, the School is most proud of its liberal ethos, the inclusivity of its educational provision and its pastoral care for all. In addition, the School aims to play a full and effective part in its local community.

Objectives for the year

The Dragon's primary objective this year was to continue to provide the best possible education and care for each and every pupil, ensuring that those leaving for other schools achieve the places desired. In addition, the School has sought to widen access and increase its social impact.

Strategies used to achieve the year's objectives

The School continues formal self-reviews of all areas of operation so as to improve methods and procedures, particularly of teaching and pastoral care, but additionally in the process of monitoring and assessing its own procedures. Specialist external reviews are also sought when deemed valuable. Specific coaching was provided to leavers tailored to the schools of their choice, and the pupils' abilities, to ensure their applications were successful.

The school monitors several key performance indicators throughout the year to assess performance against objectives, including, but not limited to, monitoring success in reaching first choice school,

average set size, number of extra-curricular music and drama lessons taken, academic and other awards achieved and results achieved at CE, including number of high performing results.

POLICIES

Grant making

The School is particularly sensitive about the costs associated with delivering first class education, and seeks to extend its facilities as far as possible to those who might not otherwise be able to afford such an education. In particular it continues to carry out specific fund-raising to enable means-tested Bursaries to be awarded, in appropriate circumstances, which cover all or nearly all of the fees. Currently the School provides up to 25 Bursary places at up to 100% grant under its '125th anniversary' scheme. Other awards are made with respect to short-term hardship arising from significant life-changes.

In general, grants are made from the Bursaries, general and other specific funds to provide financial help with the fees. Where significant financial help may be required, the Bursaries Committee considers all circumstances involved in a grant application. This might include, where appropriate, means testing, interviews and home visits, with a view to making grants as fairly and as effectively as possible. All grants are made subject to annual review.

Risk management and key risks

The Governors are responsible for ensuring the management of the risks faced by the Dragon. This is delegated to the General Purposes Committee, who review regularly a summary of the primary risks thought most likely to materialise or have the greatest effect, together with the action taken to mitigate those risks.

Risk mitigating controls

The highest priority is placed on appropriate controls and processes to mitigate risks. Strict adherence to safer recruiting protocols, staff training, and a climate of open communication are fundamental to mitigating safeguarding risks in our School. Operational finance risks are mitigated through in-house oversight and checking. More broadly, risks associated with The Dragon's borrowings of greater than 1-year were mitigated through appropriate hedging financial instruments where appropriate. Considered financial planning, together with comprehensive management accounting, reporting and budgetary control, ensures the School maintains adequate reserves. Robust governance, strong policies, and effective communication (both internal and external) underpin the School's overall risk mitigation strategy. Internal monitoring of the School's compliance is led by the Compliance Officer on behalf of the Chief Operating Officer and Head.

Reserves

The Governors review the restricted and designated reserves regularly. The specific objects of restricted funds are as follows:

a) The Endowment fund represents amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997. The reserve stood at £3k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries. The reserve stood at £445k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources. The reserve stood at £73k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources. Additional fee concessions and support are provided from the general fund. The reserve stood at £933k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the School's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes. The reserve stood at £266k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

f) The 'Capital fund' represents unspent donations raised for building projects – primarily the Music School. Amounts spent on the specific buildings are transferred from the Capital fund to the general fund in the year the expenditure is incurred. The reserve stood at £3,663k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments and cash deposits are held against the future liabilities. The reserve stood at zero at the end of the year as the aim is for the assets to match the liabilities.

None of the restricted funds are limited by their objects as to the expenditure of capital except the Endowed Bursaries and Endowment funds. All surpluses together with borrowings, eg bank loans, are reinvested to improve the School's resources. Comparative financial information for the funds can be found in notes 25 & 26.

At the year end the School had unrestricted reserves in the General Fund of £30,312k, mainly represented by land and buildings, which have been financed by the School's accumulated surpluses and supplemented by bank borrowings. In the absence of free reserves, working capital and cash flow are monitored closely. The Governors' policy is to continue building up reserves out of operating surpluses, subject to the requirements for further capital expenditure. The School's working capital is considered to be sufficient to meet its liabilities as they fall due.

Investment

The Trust's investment powers are governed by its Memorandum and Articles of Association. These permit funds to be invested in such investments, securities or property as may be thought fit. The School invested more of its bursary funds during the year. As these assets are intended to perform over a relatively long term period, targets will be set based on performance of the funds against comparators over a rolling three year period, with comparisons made against alternative investment vehicles each full year.

Prepaid fees funds are invested at the School's discretion in cash deposits or Government stocks so as to match individual schemes' requirements.

Miscellaneous investments represent gifts received of sundry investments. These are held with a view to realising maximum capital value within the short-term foreseeable future and then sold. The Governors have considered the requirements of Section 172 of the Companies Act 2006.

Section 172 of the Companies Act 2006

The Governors confirm that all relevant issues, factors and stakeholders have been included in this report. They further confirm that regular engagement by Governors has ensured that issues are clearly understood and regular meetings continue to take place. Further, they confirm that key decisions are made with appropriate input and guidance from the Governors

Disabled applicants and staff

The School makes inclusion a thread which runs through all its activities. Dragon School seeks to engage with the widest possible range of knowledge, skill and experience in all its activities. The School's policies, therefore, facilitate the employment of disabled people and the provision where

appropriate of training and career development. Were an employee to become disabled whilst in service, every effort would be made to retain them.

Communication with staff

Governors place considerable importance on informing all staff of financial and other matters that affect them, consulting with them where appropriate. The Head and Chief Operating Officer report the outcome of Governors' meetings to staff through the School's formal management structure. All other such matters are briefed to staff as they arise through regular staff meetings.

Staff are encouraged to discuss matters of concern within the staff meetings and any feedback is discussed with the Deputy Heads, Head, Chief Operating Officer and Governors as appropriate. This can then influence school policy in a number of areas.

Relationship with parents and pupils

Dragon School considers its relationship with its parents and pupils to be of the utmost importance. The School prides itself on its open and transparent communication with its parents and pupils and never has this been more important than during the pandemic.

Dragon School issues regular bulletins on a weekly and termly basis and utilises social media to communicate with agility. Parents are encouraged to approach the School as required to ensure effective two communication.

Fundraising

In 2022, the charity undertook fundraising activity with its supporters via direct mail, fundraising events and email in line with the Fundraising Code of Practice set by Fundraising Regulator.

When you support you can be sure of the following:

- We will never sell your contact details to anyone;
- We will only contact you if you have expressed an interest in our work;
- If we phone you, we will always check you are happy to take the call;
- If you ask us to change how we communicate with you, or stop, we will respect that;
- We do not engage in cold-calling, door to door or street fundraising;
- We try hard to ensure no one ever feels pressurised to support our work;
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice;
- All our activities are open, fair, honest and legal.

The charity did not work with any fundraising partners in the academic year 2022.

The charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. We did not receive any complaints about fundraising in 2022.

Dealing with suppliers

Dragon School prides itself on working collaboratively with its suppliers, both large and small. The School has introduced a system to monitor supplier payment terms.

Carbon Reporting

As part of our new reporting requirements, the School has reviewed its greenhouse gas emissions and energy use data to compile a report to meet the SECR reporting requirements. the overall consumption of fossil fuels, direct and indirect, can be summarised as equivalent to production of an amount of carbon dioxide ('CO2e'), measured in tonnes. To do so we have used HM Government's environmental reporting guidelines, the GHG Reporting Protocol and HM Government's 2022 conversion factors for company reporting, and then expressed the tCO2e per pupil.

The table below summarises the energy use relating to electricity, gas combustion and transport.

Electricity use	1,191,427 (*2021: 1,067,838)* kWh
Gas Combustion	3,824,230 (*2021: 3,733,993)* kWh
Transport	48,392 (*2021: 44,465)* kWh
Total	5,064,049 (*2021: 4,846,297)* kWh

The greenhouse gas emissions associated with the energy use identified in the table above are as follows:

Electricity use	253.0 (*2021: 226.7)* tCO2e
Gas Combustion	700.4 (*2021; 683.9)* tCO2e
Transport	11.4 (*2021: 10.5)* tCO2e
Total	964.8 (*2021: 921.1)* tCO2e

The School consumed an average of 1.21 (*2021: 1.15*) tCO2e/pupil based on 798 (*2021: 800*) pupils.

The increase in consumption is related to the comparator year to August 2021 having been disrupted by covid, whereas the year to August 2022 was a full year in school. The Dragon is committed to reducing its carbon footprint and is moving towards a Net Zero position through a number of workstreams.

STRATEGIC REPORT

The School provided education to its pupils in accordance with its stated aims and motto *arduus ad solem*. Demand for places continues to be high, in large part due to the recognised high standards achieved by the School. During the year the School had (on average) 798 pupils in total between the Prep school and Dragon Pre-Prep.

The School was inspected by the Independent Schools Inspectorate (ISI) in November 2014 and was graded Exceptional for the quality of the pupils' achievements and learning, and Excellent in each of the other eight aspects of the School's work (all judgements being the highest possible descriptors). The four aspects of the quality of the boarding education inspected were also all judged to be Excellent. More recently in April 2018, the School was subject to a Regulatory Compliance inspection by the ISI and was assessed as compliant in every respect. The full text of both inspection reports can be found here:

https://www.isi.net/reports/?name=Dragon%20School

IN-YEAR ACHIEVEMENTS

The School was delighted to welcome Mrs Emma Goldsmith as its new Head as at 1 September 2021.

The Music Department are extremely pleased to being almost back to normal function after a long two years of disruption.

Our teaching numbers can boast over 750 music lessons a week across wide-reaching disciplines. These cover the full complement of western classical instruments. We have even introduced Music Tech more recently which will certainly be a growing area in the school due to an increased exposure in our Dragon Quest provision (Dragons Rock and Dragon Hits).

Our choirs once again filled the school with song. We were able to run a live Piano Festival this year which incorporated the organ for the first time and numerous recorded concert performances from our choirs, strings, guitars and wind groups. We are looking forward to continuing live concerts.

246 children were took their ABRSM exams with 36 taking Grade 5 or above on many different instruments.

Musical outreach events are still very much a priority for us. We were able to organise activities with a number of local primary schools. Our Gamelan Orchestra arrived and we have our first date with a local school in the calendar and we look forward to this being an important part of our outreach programme moving forward.

In Games, too, the School's vision of making sport accessible to everyone was embraced enthusiastically by Dragons themselves with our aim being that every child has the chance to represent the School in each major termly sport. There are a variety of other sports available for the

children to participate in all year round with a breadth of activities on offer through our clubs' programme in addition to the curriculum sport.

We provide extensive opportunities for the pupils to represent the school at all levels regularly have over 30 different teams playing on a match day, with our more senior sides playing fixtures on arguably the most competitive Prep-School circuit around. Furthermore, a number of Dragons earn representative honours at district, county and regional level in an increasing number of sports, realising the School's twin aims of promoting both participation and excellence.

Our leaving pupils sat Common Entrance in School again, achieving 82% A&B Grades – an excellent comparison to previous years. Our leavers gained 61 awards to their senior schools, a School record in recent times, including 24 academic Scholarships or Exhibitions.

The School's Social and Environmental Impact programme, is guided, under instructive facilitation, by the pupils themselves. Each pupil can cast a vote for the charitable sectors the School will support. Both veins of thinking are increasingly blended into normal curriculum subjects, as well as functioning as specific projects in the Activities and Clubs programmes. Each year group usually organises one major charity event, or challenge, each year with all pupils in the year group engaged. These usually include A Block pupils (Year 8) being invited to lead their own specific fundraising challenge and B block pupils (Year 7) being given £5 to turn into fundraising projects. Pupils are invited to participate in fundraising for, and the distribution of funds raised by, the Dragon Sale, which is the largest annual Dragon Community fundraising event.

The School was successful in securing a private placement of £30m in March 2022. This enabled the Dragon to refinance the loan used to purchase of the freehold in 2007 and gives the School sufficient financial headroom to deliver our strategic plan in the years to come.

The School continues to take important steps to improve its infrastructure. Its main capital expenditure during the year was on developing the IT infrastructure, particularly relating to the virtual education delivery and continuing progress with designing the Music School project.

Operational performance – Key Performance Indicators

- 100% of leaving children passed to their school of choice.
- 82% of Common Entrance papers were graded A or B
- 61 academic, music, art, sporting and all-round awards were made to Dragon pupils by their secondary schools.
- Fee income was £18,658k
- Donations and legacies were £2,045k
- Staff costs were £10,823k

Operational performance – Widening Access and Social Impact

a) Bursaries and other grants:

Bursaries are at the heart of the Dragon's public benefit provision. The Dragon has a target of 25 Bursary awards across the School in the academic year and new grants per year have been awarded each year to try to meet this target. Bursary awards (day and boarding) were on average just under 75% of the fees at a cost to the School this year of £347k (*2021: 277k*); a range of other grants including staff, hardship and scholarship totalling a further £664k (*2021: £665k*) were awarded between 67 other pupils.

b) Social Impact:

The School believes that as an institution it should give strong support to the wider community. Of equal importance is the conviction that gaining a proper understanding of their social and environmental responsibilities must be a cornerstone of the education of each of its pupils. The School is committed to involving all pupils in such projects.

c) Educational:

The Latin in the Community initiative, whereby Dragon teachers and pupils assist teachers and children from other non-fee-paying schools without this expertise, continues to flourish; surplus equipment is donated to other schools or charities; some members of Dragon staff act as governors on local and IEB boards; other links and ideas are built into the curriculum through visits, demonstrations, lectures and debates.

d) Music, Sport and Arts:

Dragon musicians have played and sung in public at a variety of charities. International visitors have provided sporting as well as musical interaction. In addition, a range of local schools, charities and local groups and clubs continue to use the School's facilities when available. The provision of facilities for these purposes is valued at an approximate £22k (at the normal discounted rates for charitable use).

e) Community:

During the year the staff and its pupils raised funds for other charities through wide-ranging entrepreneurial activity, most of which is pupil led. In addition, the Dragon Christmas Charity Sale

distributed funds for various charities from proceeds of the sale held at the end of the Christmas term on the School's premises, run by the parents with the assistance of pupils and staff.

Operational performance – Fundraising

The School raised £2,045k (*2021: £635k*) to further its activities this year. The broad fundraising strategy remains to reach out to the whole Dragon community including Old Dragons, current and past parents focusing on meeting two core needs: the maintenance of Bursary funds and supporting the School's capital plans, in particular the Music and Performing Arts Centre. Successful events were held which promoted the Dragon's vision and needs to all these groups.

The School is also the grateful recipient of grants from the Lynam Educational Fund with which it can provide help with fees to parents whose circumstances unexpectedly change, providing continuity of environment and education for children in a period when their home lives may be radically upset and also towards the School's Bursaries.

Operational performance – Financial

The Trust's accounts reflect its general success as a school; this underpins the School's ability to service the bank loan which financed the purchase of the freehold.

Any operating surplus generated by the School is invested in the major capital projects needed to keep the School at the forefront of preparatory education, and in the provision of subsidised education for children otherwise unable to attend such a school. Inevitably, the demand for capital investment continues to exceed available resources and in setting the fees the Governors have to balance accessibility and fairness to current parents with the investment requirements of a leading school. The School is increasingly reliant on fundraising for capital projects.

Fee income fell during the year due to the reduced fees set for the Summer Term in response to the impact of the pandemic. During the year £18,658k (*2021: £17,105*) was generated from fees, 91% of its total income of £20,938k (*2021: £17,888k*).

The other significant element of income is donations and legacies of £2,045k (*2021: £635k*).

The greatest part of the Trust's expenditure is on staff costs which at £10,823k (*2021: £10,761k*) represent 55% (*2021: 61%*) of expenditure; and of these staff costs, £8,233k (*2021: £8,053k*) are spent on teaching, with an additional £1,194k (*2021: £1,220k*) on welfare and pastoral functions.

Finance costs are significant at £640k payable (*2021: £535k*), mostly as interest on the School's bank loans and issued Notes. Other non-staff costs include direct expenditure on teaching of £951k (*2021: £1,062k*), premises of £1,854k (*2021: £1,732k*) and welfare of £2,225k (*2021: £1,700k*). Virtually all these costs, staff, finance and other, which are necessary for the charity to meet its objects, represent semi-fixed overheads.

The School spent £320k (*2021: £700k*) on fixed assets. This is mainly represented by a range of ICT upgrades. Numerous smaller equipment purchases, some funded by donation, have been made throughout the teaching and boarding areas.

The Trust's balance sheet is dominated by the net book value of its freeholds £41,850k (*2021: £42,334k*), including, in particular, the main site purchased in January 2007 for £29,733k. During the year, a Private Placement was successfully issued and this forms the largest part of the liabilities at £30,000k *(2021:£nil)*. Some of the funds for this private placement were used during the year to repay existing loans (*2021: £13,645k)* and an associated Interest Rate Swap derivative (*2021: £1,126k)*. The other fixed assets are long term investments valued at £3,116k (2021:£1,613k) The current assets are comprised primarily of cash at £25,898k (*2021: £9,521k*) which offset the creditors due within one year of £3,670k (*2021: £5,591k*) which are chiefly comprised of pupil deposits and fees received in advance relating to pupils.

Future plans

The School reviews its strategic framework regularly, and a major review and overhaul of the two existing key documents, comprising of Guiding Principles and Development Strategy, is underway. The key objectives representing the main pillars of School development that were set out in the strategy, as updated for recent developments, are:

Academic Development:

- Maintain a leading position and reputation for innovative and exciting teaching and learning.
- Maximise all children's learning potential by improving thinking skills and proving "value-added".
- Embrace new technologies for children's immediate and future educational benefit.
- Achieve more efficient use of teachers' time and resources.
- Contribute academic and pedagogic resources to the wider community.

Pastoral Development:

- Create structures within the School that assist children, staff and parents to develop clear identities.
- Maximise all opportunities in the School to help provide children with the social skills to develop positive relationships with others.
- Ensure that parents are fully involved in the School's pastoral and welfare initiatives.
- Develop training at all levels to help children, staff and parents develop strategies for understanding and promoting good pastoral care.

ICT Development:

- Provide staff with a more effective and efficient teaching platform at School and at home.
- Ensure a safe and secure ICT environment for the Dragon community.

- Develop the School's cyber-security posture and build resilience into the School's ICT infrastructure.
- To further develop the School's goal of becoming a cloud managed environment.

Social Impact and Public Benefit:

- Widen access further by increasing the expanding the Bursary scheme.
- Establish the School as a recognised leader for pupil-led social benefit initiatives.
- Develop the existing initiatives with local schools.
- Reflect sustainable development through policy and practice at all levels.

Facilities Development:

- Build a new Music and Performing Arts Centre to service the growing musical and performing arts needs and aspirations of the Dragon community.
- Provide residential accommodation to allow the School to recruit and retain the best possible staff.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report 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 Trust and its subsidiary ('the group'), and of the result of the group for that year.

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 Trust and subsidiary's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and subsidiary and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- there is no relevant audit information of which the group's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors are grateful for the tremendous parental support for the School in achieving all that it does. It is the commitment of parents, the leadership of the Head, the effort put into caring for the pupils by the staff, and the energy of those pupils, and the dedicated work of the support staff in all their fields of expertise, which make the School what it is today and enables it to face the future with confidence.

This Governors' Report, which incorporates the Strategic Report, was approved by the Governors and signed on their behalf by:



Andrew Webb, Chairman 18 March 2023

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2022:
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DRAGON SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Dragon School Trust Limited for the year ended 31 August 2022 which comprise Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group 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 state of the group's and of the parent charitable company's affairs as at 31 August 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governor's Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Governor's Annual 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governor's Annual Report (which incorporates the strategic report and the directors' report).

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

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

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

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

intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk was related to risk of improper journals posted to income, other than in relation to income from tuition fees and investments and the risk of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year,

- Challenging assumptions and judgements made by management in their critical accounting estimates

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

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

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.



Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date:

10 Queen Street Place
London
EC4R 1AG

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2022:
GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2022	*Total funds 2021*
		£'000	£'000	£'000	*£'000*	*£'000*
INCOME FROM:						
Charitable activities						
School fees	2.	18,658	-	-	18,658	*17,105*
Other educational	3.	80	-	-	80	*41*
Other ancillary trading	4.	5	-	-	5	*5*
Other trading activities						
Non-ancillary trading		109	-	-	109	*21*
Investments						
Investment income	5.	5	3	-	8	*6*
Bank and other interest	6.	33	-	-	33	*6*
Voluntary sources						
Donations and legacies	7.	-	2,045	-	2,045	*635*
Government grants		-	-	-	-	*69*
Total income		18,890	2,048	-	20,938	*17,888*
EXPENDITURE ON:						
Raising funds						
Fundraising for voluntary resources		282	-	-	282	*241*
Trading		28	-	-	28	*11*
Other		59	-	-	59	*53*
Total costs of raising funds		369	-	-	369	*305*
Charitable activities						
Schools and grantmaking		17,940	395	-	18,335	*16,683*
Schools - financing costs	9.	640	-	-	640	*535*
Total costs of charitable activities		18,580	395	-	18,975	*17,218*
Total expenditure	8.	18,949	395	-	19.344	*17,523*
NET (DEFICIT)/INCOME BEFORE INVESTMENT GAINS/(LOSSES)		(59)	1,653	-	1,594	*365*
Investment gains/(losses)		(67)	(30)	-	(97)	*234*
NET (DEFICIT)/INCOME		(126)	1,623	-	1,497	*599*
Fair Value gains	18c.	482	-	-	482	*565*
Transfers between funds	26.	427	(427)	-	-	-
NET MOVEMENT IN FUNDS		783	1,196	-	1,979	*1,164*
Fund balances at 1 September 2021		29,529	3,739	448	33,716	*32,552*
FUND BALANCES AT 31 AUGUST 2022		30,312	4,935	448	35,695	*33,716*

All activities are continuing. No separate income and expenditure account as required under the Companies Act 2006 has been presented, as there are no differences between that and the Statement of Financial Activities presented above. The notes on pages 7 to 25 form part of these accounts.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2022:
GROUP AND CHARITY BALANCE SHEETS

	Note	**Group**		Charity	
		2022	***2021***	2022	*2021*
		£'000	***£'000***	£'000	*£'000*
Fixed assets					
Tangible assets	12.	**41,850**	***42,334***	41,850	*42,334*
Investments	15.	**3,116**	***1,613***	3,116	*1,613*
		44,966	***43,947***	44,966	*43,947*
Current assets					
Stock	13.	**7**	***8***	6	*6*
Debtors	14.	**1,252**	***752***	1,249	*738*
Cash at bank and in hand	16.	**25,898**	***9,521***	25,809	*9,521*
		27,157	***10,281***	27,064	*10,265*
Creditors: due within one year	17.	**(3,670)**	***(5,591)***	(3,640)	*(5,583)*
Net current assets		**23,487**	***4,690***	23,424	*4,682*
Total assets less current liabilities		**68,453**	***48,637***	68,390	*48,629*
Creditors: due in more than one year	18.	**(32,758)**	***(14,921)***	(32,759)	*(14,921)*
Total net assets	26.	**35,695**	***33,716***	35,631	*33,708*
Endowment funds		**448**	***448***	448	*448*
Restricted funds		**4,935**	***3,739***	4,935	*3,739*
Unrestricted funds		**30,312**	***29,529***	30,248	*29,521*
Fund balances	27.	**35,695**	***33,716***	35,631	*33,708*

The notes on pages 9 to 26 form part of these accounts.

In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Dragon School Trust Limited. The Trust net income for the year was £1,923k (*2021: £1,156k*).

The financial statements were approved and authorised for issue by the Board of Governors
On XX March 2023 and were signed below on its behalf by



Andrew Webb, Chairman 18 March 2023

Company number: 00524331

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2022:
GROUP STATEMENT OF CASH FLOWS

	Note	2022		*2021*	
		£'000	£'000	*£'000*	*£'000*
Net cash inflow from operations	(a).		2,792		*1,988*
Cash flows from investing activities					
Interest paid		(640)		*(555)*	
Interest received		33		*6*	
Receipts from disposals of investments		-		*126*	
Payments for investments		(1,600)		*(1,251)*	
Investment income receipts		8		*6*	
Payments for tangible fixed assets		(320)		*(700)*	
Net cash used in investing activities			(2,519)		*(2,368)*
Cash flows from financing activities					
Receipts from prepaid fees scheme		597		*383*	
Payments from prepaid fees scheme		(204)		*(293)*	
Additional borrowing		30,000		-	
Loan repayments		(14,289)		*(705)*	
Net cash used in financing activities			16,104		*(615)*
Change in cash and cash equivalents in the reporting period			16,377		*(995)*
Cash and cash equivalents at the beginning of the reporting period			9,521		*10,516*
Cash and cash equivalents at the end of the reporting period			25,898		*9,521*

Charity law requires separate administration of the cashflows of endowed and other restricted funds of the Trust. This constraint has not adversely affected group cashflows as stated above.

a) Reconciliation of net income to cash flow from operating activities	2022 £'000	*2021 £'000*
Net income	1,979	*1,164*
Investment (gains)/losses	97	*(234)*
Fair value (gains)	(482)	*(565)*
Interest payable	640	*535*
Interest receivable	(33)	*(6)*
Investment income	(8)	*(6)*
Depreciation charges	804	*810*
(Increase)/decrease in stocks	(1)	*(2)*
(Increase)/decrease in debtors	(488)	*(288)*
Increase/(Decrease) in creditors	284	*580*
Net cash inflow from operating activities	2,792	*1,988*

b) Analysis of cash flows and net debt

	1 Sept 2021	Cashflow	Other movements	31 Aug 2022
	£'000	£'000	£'000	£'000
Cash at bank and in hand	9,521	16,377	-	25,898
Debt: bank loans	(13,645)	(16,355)	-	(30,000)
	(4,124)	22	-	(4,102)

The notes on pages 9 to 26 form part of these accounts.

1. ACCOUNTING POLICIES

a) General information
The School is a Public Benefit Entity, registered as a charity (charity number: 309676) and company limited by guarantee (company number: 524331). The School's registered office address is: Dragon School, Bardwell Road, Oxford, OX2 6SS.

b) Basis of accounting
The accounts are prepared under the historical cost convention as modified by the revaluation of listed investments, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Second Edition, Effective 1 January 2019.

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 functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates. The balances in the accounts are rounded to the nearest thousand.

c) Consolidation/ group accounts
The Trust has beneficial ownership of 100% of the share capital of Dragon School Trading Limited. The group accounts consolidate the results of this subsidiary, which are summarised in note 28. As the subsidiary pays any surpluses to the parent, the surplus dealt with in the parent company's accounts is identical to that shown on the group income and expenditure account. The Trust's Governors represent the ultimate controllers of the group.

d) Critical accounting judgements and estimates and key sources of estimation uncertainty
In the application of these accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. The Governors consider the following item to be an area subject to estimation and judgement:

Depreciation:
The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Although tangible fixed assets are significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically, no changes have been required.

1. ACCOUNTING POLICIES (continued)

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's accounts.

e) Income – fees and similar income
Income is recognised, in general, only with respect to the period of account and are stated after deducting Bursaries, scholarships and other remissions allowed by the School. Fees paid with respect to future terms are carried forward as liabilities; and donations of any sort are included only when resources are irrevocably transferred. School fees include extras. Other Educational Income primarily consists of registration fees and income from the hiring out of some of the school's facilities at certain times during the year. Income from such sources is recognised over the period in which the relevant service is delivered.

f) Income – donations
Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Donations received for the general purposes of the School are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are credited to the relevant Restricted Funds or Endowment Funds.

g) Income – investments
Interest is included on an accruals basis. Dividends from investment funds are included as receivable on the due dates.

h) Expenditure
With respect to resources expended running the school, 'property' includes costs of maintaining the buildings used for educational purposes, while 'welfare' include boarding and catering costs; 'support' represents other costs of servicing the direct teaching function, including governance costs. Irrecoverable VAT is included with the item of expense to which it relates in all cases. Overheads and other costs not directly attributable to a functional activity are apportioned on the basis of management estimates consistently applied.

i) Fund accounting
The School has three types of funds

- Restricted - where the purpose for which the funds may be used has been restricted by donors;
- Endowment - where the capital is held in perpetuity to generate distributable income; and
- Unrestricted - where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted but the Governors have designated them for a specific purpose.

j) Tangible fixed assets
Land and buildings are shown at original cost. Fixtures and fittings are capitalised when they are included in the provision of additional facilities, such as when a building is extended or converted; other fixtures and fittings are charged to revenue in the year of purchase. Equipment costing over £1k is capitalised.

Depreciation is provided on all assets other than freehold land. Freehold buildings are amortised on a straight line basis, taking into account their estimated residual value, which in the case of education-specific buildings is considered negligible but in the case of residential property is expected to approximate their original costs. Leasehold land and buildings are amortised over the period of the lease. With respect to other assets depreciation is provided at straight line on cost.

The estimated lifetimes of various types of assets in use are:

Freehold buildings	50 years
Other	3-10 years

1. ACCOUNTING POLICIES (continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

k) Operating lease rentals
Rentals paid under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

l) Investments
Investments are a form of basic financial instrument and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Gains and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses are calculated as the difference between sale proceeds and opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value of investments at the year-end and their carrying value. Realised and unrealised investment gains and losses are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investment subsidiaries are valued at cost less provision for impairment.

m) Stock
Stock of consumables held at the year-end are valued at cost, subject to their usability. Stock held for resale is valued at the lower of cost and net realisable value. Purchases of educational materials for the next academic year are carried forward as prepayments.

n) Debtors
Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

o) Cash at bank and in hand
Cash at bank and in hand includes cash and deposits with a short term maturity of six months or less from the date of opening the deposit account.

p) Creditors
Creditors are recognised where the School has a present obligation arising 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 reliably. Amounts are recognised at their settlement amount.

q) Property creditor
The long-term property creditor has been discounted to net present value using the Trust's fixed bank borrowing rate. Interest is charged to income and expenditure account at this rate and added to the outstanding credit balance until the date of repayment.

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

1. ACCOUNTING POLICIES (continued)

Financial assets / liabilities held at fair value through the profit or loss comprise derivatives. Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the SoFA as a fair value movement. The School does not currently apply hedge accounting for interest rate swap derivatives.

s) Pension costs

Pension costs represent contributions under defined contribution schemes' costs in the current year. In the prior year, these costs represent contributions under the Teachers' Pensions Agency (TPA) teachers' superannuation scheme, various defined contribution schemes and provision against amounts due with respect to specific obligations recognised by the Trust. Both the TPA and the defined contribution schemes' costs are shown in the accounts as charged, the payments being made to external funds.

2. CHARITABLE ACTIVITIES - SCHOOL FEES	2022	*2021*
	£'000	*£'000*
School fees and extras	19,360	*17,770*
less scholarships, Bursaries and grants	(1,097)	*(1,012)*
	18,263	*16,758*
Bursaries paid from restricted funds	395	*347*
	18,658	*17,105*

3. CHARITABLE ACTIVITIES – OTHER EDUCATIONAL	2022	*2021*
	£'000	*£'000*
Registration fees	47	*41*
Courses & conferences	33	*-*
	80	*41*

4. CHARITABLE ACTIVITIES – ANCILLARY TRADING	2022	*2021*
	£'000	*£'000*
Commission and similar income	-	*5*
	-	*5*

5. INVESTMENT INCOME	2022	*2021*
	£'000	*£'000*
Listed and other investments	8	*6*
	8	*6*

6. BANK AND OTHER INTEREST	2022	*2021*
	£'000	*£'000*
Bank interest	21	*2*
Other	12	*4*
	33	*6*

7. DONATIONS AND LEGACIES	2022	*2021*
	£'000	*£'000*
Donations for:		
Bursaries	379	*542*
Other	1,666	*93*
	2,045	*635*

8a. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs	Depr'n	Other	2022 Total
	£'000	£'000	£'000	£'000
Cost of raising funds				
Fundraising for voluntary resources	220	-	62	282
Trading costs	-	-	28	28
Other costs	-	-	59	59
Total cost of raising funds	220	-	149	369
Charitable activities				
Schools and grantmaking				
Teaching	8,233	26	951	9,210
Welfare	1,194	13	2,225	3,432
Premises	187	412	1,854	2,453
Support costs of schooling (including governance – note 8c)	987	353	1,505	2,845
Grants, awards and prizes (note 8b)	-	-	395	395
	10,601	804	6,930	18,335
Schools - financing costs (note 9)	-	-	640	640
Total costs of charitable activities	10,601	804	7,570	18,975
Total expenditure	10,821	804	7,719	19,344

No allocation has been made of senior management time spent on governance matters as such time is additional to full time roles providing support to the School's teaching. Staff costs are further detailed in note 10.

8a. ANALYSIS OF TOTAL EXPENDITURE (cont'd)

Prior year comparative information

	Staff costs	Depr'n	Other	2021 Total
	£'000	£'000	£'000	£'000
Cost of raising funds				
Fundraising for voluntary resources	*211*	-	*30*	*241*
Trading costs	-	-	*11*	*11*
Other costs	-	-	*53*	*53*
Total cost of raising funds	*211*	-	*94*	*305*
Charitable activities				
Schools and grantmaking				
Teaching	*8,053*	*28*	*1,062*	*9,143*
Welfare	*1,220*	*47*	*1,700*	*2,967*
Premises	*244*	*412*	*1,732*	*2,388*
Support costs of schooling (including governance – note 8c)	*1,033*	*323*	*482*	*1,838*
Grants, awards and prizes (note 8b)	-	-	*347*	*347*
	10,550	*810*	*5,323*	*16,683*
Schools - financing costs (note 9)	-	-	*535*	*535*
Total costs of charitable activities	*10,550*	*810*	*5,858*	*17,218*
Total expenditure	*10,761*	*810*	*5,952*	*17,523*

8b. GRANTS, AWARDS AND PRIZES

	2022	*2021*
	£'000	*£'000*
From Restricted Funds:		
Bursaries and other grants and awards	395	*347*
	395	*347*

8c. GOVERNANCE COSTS

	2022	*2021*
	£'000	*£'000*
Auditors' remuneration – audit (Group)	14	*14*
Auditors' remuneration – audit (subsidiary)	2	*2*
Auditors' remuneration – non-audit	2	*2*
Reimbursement of expenses to Governors	1	-
Other governance costs	98	*9*
	117	*27*

9. FINANCING COSTS	2022	*2021*
	£'000	*£'000*
Interest payable is due on:		
Bank loans and overdrafts	629	*532*
Discounts allowed on prepaid fees	11	*3*
	640	*535*

Financing costs are included in costs of charitable activities as part of the operation of the School.

10. EMPLOYEES	2022	*2021*
	£'000	*£'000*
Staff costs:		
Wages and salaries	8,716	*8,460*
National Insurance	872	*831*
Pension costs	1,143	*1,470*
Severance pay	92	-
	10,823	*10,761*
The numbers of employees whose remuneration was over £60k		
(including severance pay) fell into the following bands:	No.	*No.*
£60 - £70k	3	*3*
£70 - £80k	2	*4*
£80 - £90k	4	*4*
£100-£110k	-	*2*
£110-£120k	3	*1*
£140-£150k	1	-
These higher paid staff had defined	£'000	*£'000*
contribution pension schemes, total cost:	158	*194*
Total pension costs were made up of:	£'000	*£'000*
TPA pension contributions	-	*1,254*
Defined contribution schemes	1,143	*216*
	1,143	*1,470*

The total employment costs of key management personnel, who are considered to consist of the Head, Head of the Pre-prep, the Chief Operating Officer, the Governors and the Deputy Heads during the year was £900k (*2021: £810k*).

The Governors did not receive any remuneration. The accounts do not estimate the value of their time and expertise in governance and support roles, though this is considerable. Five Governors received travel expenses during the year (*2021: none*).

10. EMPLOYEES (continued)

The average number of employees, based on head count, excluding Governors, was:	2022 No.	*2021* No.
Teaching	204	*203*
Pensioners	5	*6*
Support staff	106	*120*
Development	3	*3*
	318	*332*

11. TAXATION

As a registered charity the Trust does not pay corporation tax on surpluses arising from its charitable activities. The Trust's subsidiary, Dragon School Trading Limited, pays corporation tax on profits, but these are nil for tax purposes after allowing for the payment of profits to the parent company as a charge.
The Trust suffers irrecoverable VAT on all purchases other than those made by its subsidiary trading company. Irrecoverable VAT paid to HMRC totalled approximately £601k (*2021: £598k*) during the year.

12. TANGIBLE FIXED ASSETS (group *and* parent company) for own use:

	Freehold property £'000	Motor vehicles £'000	Other £'000	TOTAL £'000
Cost				
at 1 September 2021	48,456	210	6,725	55,391
additions	72	-	248	320
disposals	-	-	-	-
at 31 August 2022	48,528	210	6,973	55,711
Depreciation				
at 1 September 2021	7,192	193	5,672	13,057
charge	320	13	471	804
released	-	-	-	-
at 31 August 2022	7,512	206	6,143	13,861
Net book value				
at 1 September 2021	*41,264*	*17*	*1,053*	*42,334*
at 31 August 2022	41,016	4	830	41,850

The rebuild cost of properties included in freehold was approximately £62,903k at the most recent insurance review (September 2022), though this does not include the value of the land itself. Governors are of the opinion that the current market value of freeholds is considerably in excess of the historical cost shown. With respect to other assets (fixtures, fittings and equipment), these are insured for £3,742k. These values are cited merely for comparison with the historical cost figures shown above. The School does not own any heritage assets.

Virtually all assets held are used for the purposes of the School's operation; some small proportion is used for management and trading, but identification of the amounts involved is not practicable.

13. STOCKS

	Group		Parent company	
	2022	*2021*	2022	*2021*
	£'000	*£'000*	£'000	*£'000*
Goods for resale	1	*2*	-	*-*
Consumables	6	*6*	6	*6*
	7	*8*	6	*6*

14. DEBTORS

	Group		Parent company	
	2022	*2021*	2022	*2021*
	£'000	*£'000*	£'000	*£'000*
Trade debtors	406	*524*	403	*510*
Amount owed by subsidiary	-	*-*	-	*-*
Loans	9	*1*	9	*1*
Prepayments	269	*197*	269	*197*
Accrued income	568	*30*	568	*30*
	1,252	*752*	1,249	*738*

15. INVESTMENTS

	Group and parent company	
	2022	*2021*
Investments are shown at market value:	£'000	*£'000*
Other U.K. listed investments held as fixed assets	3,116	1,613
	3,116	1,613
Historical cost:	2,755	1,323
Value of investments:		
brought forward	1,613	254
disposals at value brought forward	-	(126)
acquired	1,600	1,251
change in unrealised values	(97)	234
carried forward	3,116	1,613

16. CASH AT BANK AND IN HAND

	Group		Parent company	
	2022	*2021*	2022	*2021*
	£'000	*£'000*	£'000	*£'000*
Cash on deposit	25,894	*9,520*	25,805	*9,520*
Current bank accounts and petty cash	4	*1*	4	*1*
	25,898	*9,521*	25,809	*9,521*

17. CREDITORS: DUE WITHIN ONE YEAR	Group		Parent company	
	2022	*2021*	2022	*2021*
	£'000	*£'000*	£'000	*£'000*
Bank loans and overdrafts	-	*2,152*	-	*2,152*
Trade creditors	827	*573*	824	*565*
Taxation and social security	267	*405*	251	*405*
Accruals	627	*442*	616	*442*
Deferred income				
- fees received in advance	1,276	*1,351*	1,276	*1,351*
- deposits held	489	*497*	489	*497*
- prepaid fees scheme	184	*171*	184	*171*
	3,670	*5,591*	3,640	*5,583*

18a. CREDITORS: DUE IN IN MORE THAN ONE YEAR	Group and parent company	
	2022	*2021*
	£'000	*£'000*
Bank loans	30,000	*11,493*
Deferred income: prepaid fees	711	*320*
Deposits held	2,047	*1,982*
Interest rate swap derivative	-	*1,126*
	32,758	*14,921*

18b. ANALYSIS OF LONG TERM CREDITORS

Long term creditors are due in less than five years except as follows:

Bank loans:			
due within one year		-	*2,152*
due between two and five years		-	*9,546*
due in more than five years		30,000	*1,947*
		30,000	*13,645*
Deferred income - prepaid fees	19.		
due within one year		184	*171*
due between two and five years		711	*320*
		895	*491*
Deposits held:			
due within one year		489	*497*
due between two and five years		1625	*1,558*
due in more than five years		422	*424*
		2,536	*2,479*
Interest rate swap derivative			
due in more than five years		-	*1,126*

18c. LONG TERM CREDITORS: EXPLANATORY NOTES

£21,000k was borrowed from Coutts & Co to fund the first payment for the freehold of the School's site on 31 January 2007, with the option to draw down a further amount by January 2014 so as to pay the deferred balance due for the purchase of the School's freehold, due by the end of that month. This option was exercised during the 2014 year, a further £6,000k being borrowed from the bank.

This loan was repayable by fixed instalments totalling £2,121k per annum (which amount anticipated the additional draw down). A hedging facility was simultaneously arranged so that in effect interest was fixed at 5.615%. The loan was secured by a fixed and floating charge on the whole of the Trust's property, together with additional specific charges over several freehold properties. This loan was repaid during the year.

The Interest Rate Swap Derivative in the prior year was the mark to market valuation adjustment on the fixed rate hedging facility mentioned above. This Interest Rate Swap Derivative was settled at the same time as the Loan mentioned above was repaid.

On 28 August 2021, £3m was borrowed from Coutts & Co under the UK Government backed Coronavirus Business Interruption Loan scheme. The loan was also repaid during the year. This loan was also secured by a fixed and floating charge over the property secured under the loan from Coutts & Co mentioned above. The interest rate on the loan was 3.50% over Coutts Base Rate.

On 18 March 2022, the School issued £30m of Senior Secured noted in a Private Placement to Canada Life Limited and Canada Life Assurance Company. These Notes have a fixed interest rate of 3.41% and are due for repayment on 29 April 2050.

19. PREPAID FEES ACCOUNT

	Group and parent company	
	2022	*2021*
	£'000	*£'000*
Balance at the beginning of the year	491	*399*
New contracts	597	*383*
Amounts accrued to contracts as debt-financing costs	11	*2*
Amounts used in payment of fees		
– to the School	(204)	*(223)*
– to other Schools	-	*(70)*
Balance at year end	895	*491*

20. PENSIONS

During the prior year, the majority of the staff participated in one of two pension schemes: the Teachers' Pension Scheme (TPS) run by the Teachers' Pension Agency specifically for teaching staff, and a defined contribution scheme for other staff, formerly with Aviva and from March 2013 with Scottish Widows.

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

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

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2022. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2021 announced that there would be a review of this cost cap mechanism, in January 2022 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2021, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2021 valuations.

On 1 September 2021, the School left the TPS scheme. The school put in place a defined contribution scheme with Royal London which staff previously in the TPS could join. The assets of the scheme are held separately from the Trust in an independently administered fund. The employer contributes up to 16.48% corresponding to employees' chosen contribution rates.

The school also operated a defined contribution scheme with Scottish Widows. The assets of the scheme were held separately from the Trust in an independently administered fund. The employer contributes up to 12% corresponding to employees' chosen contribution rates. This scheme was closed during the year and particpants were moved into the defined contribution scheme with Royal London mentioned above.

Included within salary costs are payments to certain former staff members or their spouses whose pension provision prior to the School adopting the Teachers' Pension Scheme was inadequate during their employment. The total amount paid was £20k (*2021: £20k*). The Trust is under no legal obligation to continue with these payments and accordingly the accounts do not include any estimate, actuarial or otherwise, of a possible total future commitment.

21. RELATED PARTIES

Four of the Governors had children at the School during the year, for which they are charged normal fees and extras as agreed in the standard parent-school contract.

In addition to assisting the school in raising funds, Governors themselves make charitable donations to the school from time to time, but there is no requirement to do so. The total charitable contributions in the year from Governors was £2k (*2021: £10k*).

The School also had transactions with its subsidiary company, Dragon School Trading Limited, which are detailed in note 28.

There were no other related party transactions in the current or previous year.

22. CAPITAL COMMITMENTS

The School had no capital commitments (*2021: none*) with respect to building contracts in progress at the year-end. There were no amounts committed but not yet contracted.

23. FINANCE LEASE COMMITMENTS

The School has no future minimum lease commitments under non-cancellable finance leases.

24. OPERATING LEASE COMMITMENTS

The School had total future minimum lease commitments under non-cancellable operating leases as follows:

	Group and parent company	
	2022	*2021*
Other	£'000	*£'000*
Due within 1 year	2	*15*
	12	*9*

The total operating lease expense recognised in the SoFA for the year is £15k (*2021: £28k*).

25. FUNDS: DETAILED MOVEMENTS

	Balance at 1 Sept 2021	Incoming resources	Outgoing resources	Investment gains/ (losses)	Transfers between funds	Balance at 31 Aug 2022
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	445	-	-	-	-	445
	448	-	-	-	-	448
RESTRICTED FUNDS						
Knatchbull Memorial fund	76	3	(1)	(5)	-	73
Bursaries funds	1,300	447	(394)	(25)	(395)	933
Capital fund	2,151	1,512	-	-	-	3,663
Development fund	212	86	-	-	(32)	266
	3,739	2,048	(395)	(30)	(427)	4,935
UNRESTRICTED FUNDS						
Prepaid fees	-	-	(11)	-	11	-
General fund	29,521	18,781	(18,886)	415	424	30,255
	29,521	18,781	(18,897)	415	435	30,255
CHARITY total funds	33,708	20,829	(19,292)	385	8	35,638
Non-charity trading funds	8	109	(52)	-	(8)	57
GROUP	33,716	20,938	(19,344)	385	-	35,695

Prior year comparative information	Balance at 1 Sept 2019	Incoming resources	Outgoing resources	Investment gains/ (losses)	Transfers between funds	Balance at 31 Aug 2021
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	394	-	-	51	-	445
	397	-	-	51	-	448
RESTRICTED FUNDS						
Knatchbull Memorial fund	57	2	-	17	-	76
Bursaries funds	967	544	(347)	136	-	1,300
Capital fund	2,130	21	-	-	-	2,151
Development fund	377	42	-	-	(207)	212
	3,531	609	(347)	153	(207)	3,739
UNRESTRICTED FUNDS						
Prepaid fees	-	-	(2)	-	2	-
General fund	28,621	17,258	(17,161)	595	208	29,521
	28,621	17,258	(17,163)	595	210	29,521
CHARITY total funds	32,549	17,867	(17,510)	799	3	33,708
Non-charity trading funds	3	21	(13)	-	(3)	8
GROUP	32,552	17,888	(17,523)	799	-	33,716

26. FUNDS: NET ASSETS	Fixed Assets	Invest-ments	Other net current assets	Long term liabilities	Total net Assets at 31 Aug 2022
	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	417	28	-	445
	-	417	31	-	448
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	63	10	-	73
Bursaries funds	-	977	(44)	-	933
Capital fund	-	-	3,663	-	3,663
Development fund	-	-	266	-	266
	-	1,040	3,895	-	4,935
UNRESTRICTED FUNDS					
Prepaid fees	-	-	711	(711)	-
General fund	41,850	1,659	18,794	(32,048)	30,255
	41,850	1,659	19,505	(32,759)	30,255
CHARITY total funds	41,850	3,116	23,431	(32,759)	35,638
Non-charity trading funds	-	-	57	-	57
GROUP	41,850	3,116	23,488	(32,759)	35,695

Prior year comparative information	Fixed Assets	Invest-ments	Other net current assets	Long term liabilities	Total net assets at 31 Aug 2021
	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	425	20	-	445
	-	425	23	-	448
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	68	8	-	76
Bursaries funds	-	996	304	-	1,300
Capital fund	-	-	2,151	-	2,151
Development fund	-	-	212	-	212
	-	1,064	2,675	-	3,739
UNRESTRICTED FUNDS					
Prepaid fees	-	-	320	(320)	-
General fund	42,334	124	1,664	(14,601)	29,521
	42,334	124	1,984	(14,921)	29,521
CHARITY total funds	42,334	124	4,682	(14,921)	33,708
Non-charity trading funds	-	-	8	-	8
GROUP	42,334	1,613	4,690	(14,921)	33,716

27. FUNDS: EXPLANATORY NOTES

a) The Endowment fund represent amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources.
Additional fee concessions and support are provided from the general fund.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the school's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes as funds are transferred to the General fund when spent.

f) The 'Capital fund' was previously included within the generality of the 'Development fund' but, as it has grown significantly is now shown separately. This represents unspent donations raised for building projects – currently the Music School. Amounts spent on the specific buildings are transferred from the Capital fund to the general fund in the year the expenditure is incurred.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments in government stocks and cash deposits are held against the future liabilities.

28. TRADING SUBSIDIARY

The Trust holds 100 ordinary shares of £1 each, representing 100% of the issued share capital of Dragon School Trading Limited, a company incorporated in England and Wales. The value of the investment as determined by the equity method is £100. These shares are included on the parent company balance sheet as investments held as fixed assets:

	2022	*2021*
	£	*£*
Shares in subsidiary company at cost	100	*100*

The Trust advances working capital as necessary to the trading company to finance its operations. Interest is charged on the amount outstanding from time to time at the same rate as charged by the Trust's bankers.

The Trading company's results for the year, and balance sheet at the year end, from the audited accounts, are summarised below:

	2022	*2021*
	£'000	*£'000*
Turnover	109	*21*
Cost of sales	(29)	*(6)*
Gross profit	80	*15*
Administration expenses	(23)	*(7)*
Profit for the financial year	57	*8*
To be paid to Dragon School Trust Ltd under gift aid	57	*8*
Generated for parent company:		
Surplus above	57	*8*
Management charges from Trust	4	*4*
	61	*12*
Current assets	93	*15*
Intercompany account	(6)	*1*
Current liabilities	(30)	*(8)*
Net assets	57	*8*
Called up share capital	-	*-*
General reserves	57	*8*
	57	*8*

29. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

	Note	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2021
		£'000	£'000	£'000	*£'000*
INCOME FROM:					
Charitable activities					
School fees	2.	16,901	-	-	16,901
Other educational	3.	36	-	-	36
Other ancillary trading	4.	3	-	-	3
Other trading activities					
Non-ancillary trading		13	-	-	13
Investments					
Investment income	5.	4	9	-	13
Bank and other interest	6.	42	-	-	42
Voluntary sources					
Donations and legacies	7.	-	469	-	469
Government grants		210	-	-	210
Total income		17,209	478	-	17,687
EXPENDITURE ON:					
Raising funds					
Fundraising for voluntary resources		206	-	-	206
Trading		10	-	-	10
Other		93	-	-	93
Total costs of raising funds		309	-	-	309
Charitable activities					
Schools and grantmaking		15,290	322	-	15,612
Schools - financing costs	9.	614	-	-	614
Total costs of charitable activities		15,904	322	-	16,226
Total expenditure	8.	16,213	322	-	16,535
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		996	156	-	1,152
Investment gains/(losses)		(10)	(32)	-	(42)
NET INCOME		986	123	-	1,110
Fair Value gains	18c.	527	-	-	527
Transfers between funds	26.	331	(331)	-	-
NET MOVEMENT IN FUNDS		1,844	(207)	-	1,637
Fund balances at 1 September 2021		26,780	3,738	397	30,915
FUND BALANCES AT 31 AUGUST 2022		28,624	3,531	397	32,552

DRAGON SCHOOL TRUST LIMITED

England & Wales - Charity number 309676

Accounts

DRAGON SCHOOL TRUST LIMITED

DRAFT GROUP ACCOUNTS FOR THE YEAR ENDED

31 AUGUST 2021

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Company number: 524331

Registered charity number: 30967

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2021:
SUMMARY REVIEW BY THE CHAIR OF GOVERNORS AND HEAD

The protocols developed during 2019/20 for dealing with the pandemic continued to evolve and enabled the Dragon to remain resilient to the impact of COVID-19. While the School again took the decision to apply fee concessions during periods of physical closure, the depth of the online curriculum available when required was exceptional. This was evidenced by the continued strength of the community spirit and parental goodwill that we had experienced throughout this extraordinary period.

But there is far more to the Dragon's success during this period than our response to the pandemic. Our academic results for 2021 were simply exceptional. Our Year 8 leavers gained an incredibly impressive 55 scholarships and awards to their senior schools with 77% of our CE pupils gaining A*/A/B.

This year also saw the full roll out of DragonQUEST across the Prep School. It is testament to the success of this innovative initiative that over 85% of our pupils elect to come to School on a Saturday to take part in one of the enrichment activities available. On any Saturday, there could be over 50 activities available for our pupils. A sample of our activities includes: bicycle maintenance; archaeology; equestrian; triathlon; calligraphy; leadership; and Dungeons and Dragons.

This provision also enabled us to be even more flexible with our boarding offering. There is now a boarding option to meet all family requirements, ranging from flexible day boarding to weekly boarding to full boarding. A weekly coach is available from London to further support this flexible provision.

Against this backdrop and despite the uncertainty of the pandemic, our admissions numbers have continued to show resilience and strength. Indeed our day numbers have never been stronger, and the numbers of pupils engaged in some form of boarding continues to grow.

And, of course, a discussion of this period can't be complete without mention of the appointment of our new Head, Emma Goldsmith. The Dragon's 12th Head, Emma commenced her leadership of the Dragon on 1 August 2021 and this marks the beginning of an exciting new chapter in the history of the Dragon.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2021:
GOVERNORS, ORGANISATIONAL STRUCTURE, OFFICERS AND ADVISERS

Dragon School Trust Limited ("Dragon School" or "Trust") is a company registered under the Companies Act 2006 and a registered charity. It is a company limited by guarantee; the liability of members of the company is limited to £1 each. The Governors of Dragon School are trustees of the charity, and directors and members of the company. Those serving during the year are as follows:

C Alexander	G	(appointed 14 January 2021)
M Breen	A R	
G P Candy	G P °	
A C Cowley	G*	(retired 6 Jun 2020)
J C Edmondson	G* P	
N L Helliwell	A	
C I M Jones	B G P R + °	
S J Kerr-Dineen	A °	
E G King	R + °	(passed away 24 December 2020)
Dr M Letts OBE		(appointed 16 November 2020)
Prof Dame A R McLean	A B IT	
N Millard	Sa	
N D Portwood	°	
C J Underwood OBE	S	
W A Webb	B G T IT P R °	
G H Wilson	G P R T °	(retired 28 November 2020)

Subsequent to the year end, Dr H R Gurprashad was appointed on 1 September 2021.

Committee memberships and other groups (as at the end of year):

A	Academic Committee
B	Bursaries Committee
G	General Purposes Committee
P	Property Working Group
R	Nominations and Remuneration Committee
S	Social Responsibility Committee
Sa	Safeguarding Children
IT	IT Steering Group
T	Dragon School Trading Ltd
+	Old Dragon
*	Current parent
°	Former parent

Board and committees

The Board of Governors is a self-appointing body. Governors hold office for six years, whereupon they may be reappointed. Governors normally retire at the age of 70. There may be no more than 20 and no fewer than seven Governors. All committees and groups report to the main Board. The Board and other committees and groups routinely meet three times a year and at other times as necessary.

The Academic Committee is the forum for academic discussion in which Governors and staff participate equally.

The Bursaries Committee proposes policy to the Governing Body and considers all applications for means tested awards and grants.

The General Purposes Committee (GPC) has particular responsibility for the School's finances and financial strategy, but also considers risk, health & safety and compliance matters.

The Nominations and Remuneration Committee is tasked with reviewing the membership of the Governing Body, recommending new Governors for GB approval, and for reviewing the performance and remuneration of Head and Chief Operating Officer, reporting via the Chairman to the Board of Governors.

The Safeguarding Children Committee ensures Board-level review and responsibility for safeguarding children; other members are senior pastoral staff.

The Social Responsibility Committee oversees the development and implementation of the School's charitable, social, economic and environmental policies. The activities of this Committee are currently paused while its remit is reviewed.

Other steering groups are appointed and meet as necessary, including the Property Working Group & the IT Steering Group.

Advisors

The Trust appoints professional advisors to deal with specialist matters from time to time. All contracts are subject to periodic review as circumstances merit.

Architects:	Berman Guedes Stretton	Oxford
	MEB Design	Oxford
Auditors:	Haysmacintyre LLP	London
Bankers:	Barclays Bank	Oxford
	Coutts & Co	London
Insurance brokers:	Marsh Brokers	Haywards Heath, West Sussex
Pension advisors:	Succession Wealth	Aylesbury, Buckinghamshire
Solicitors:	Freeths	Oxford
	Blake Morgan	Oxford
	VealeWasboroughVizards	London
Surveyors:	Sidleys	Oxford
	McBains Cooper	Oxford

Registered office and address for correspondence:

Dragon School
Bardwell Road
Oxford
OX2 6SS

Web-site: www.dragonschool.org
e-mail contact: Bursar@dragonschool.org

The Head is E Goldsmith.

The Company Secretary and Chief Operating Officer is M R Johnson.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2021:
GOVERNORS' REPORT

The Governors present their annual report and audited accounts for the year ended 31 August 2021 in compliance with current statutory requirements for companies and charities and the company's Memorandum and Articles of Association. This report, together with the preceding pages, incorporates the information required for the directors' report and strategic report under the Companies Act. Comparative figures in the accounts are for the year ended 31 August 2020.

REFERENCE AND ADMINISTRATIVE INFORMATION

Dragon School was founded in 1877. It was incorporated in 1953 as a company limited by guarantee and registered at Companies House, number 524331. It is registered with the Charity Commission under charity number 309676. The Governors, principal executive officers and advisers, together with contact details for the School, are given on pages i to iii.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Dragon School is governed by its Memorandum and Articles of Association dating from 1953 and last amended in November 2008.

Governing Body

Overall responsibility for Dragon School rests with the Governors, who are listed on page i together with information regarding their tenure and committee membership.

Recruitment and training of Governors

New Governors are appointed at a meeting of the Board on the basis of recommendations made by the Nomination and Remuneration Committee. Recommendations are made following an interview process with members of the NRC and on the basis of the requirements of the Board in terms of skills and expertise.

New Governors receive an introduction and induction led by the Chief Operating Officer on behalf of the Chair of Governors. This covers a range of information including general governance matters, together with more detailed discussions of strategic priorities and finances. Further opportunities to attend appropriate seminars and training events are offered when they occur.

Organisation and management

The Governors, as the trustees of the Charity, are legally responsible for the overall management and control of the School. The Board of Governors meets at least once a term, receiving reports from committees which meet with similar frequency.

The day to day running of the School is delegated to the Head and Chief Operating Officer, supported by the Senior Leadership Team and staff. Generally the Head and Chief Operating Officer

attend all Governors' and Committee meetings, except those of the Nominations and Remuneration Committee and when restricted business is discussed.

Key Management

Key Management Personnel are defined as the Head, Chief Operating Officer, Head of Pre-Prep and the Deputy Heads.

Remuneration

Remuneration is set by the Governing Body with the overall objective of ensuring appropriate recognition and incentive to encourage exceptional performance. Remuneration must be fair and responsible, and the appropriateness of the School's remuneration is reviewed periodically; this includes benchmarking with other schools in both independent and maintained sectors. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to develop and grow.

Group structure and relationships

Dragon School has a wholly owned trading company, Dragon School Trading Limited (company number 1379919), which is used to generate income for the School through the hire of facilities, the sale of Dragon-related souvenirs and second-hand clothing. All residual profits are paid to the Trust under gift aid.

Dragon School has a relationship with two other charities, 'The Lynam Educational Fund' (274993), whose objects include assistance with school fees in cases of need, and 'The Dragon Christmas Charity Sale' (1106073), which raises money for charities helping children and families. The School provides support in the form of staff time to these charities, but as the School does not control these charities, their activities and financial results are not included within these reports and accounts, except to the extent that they have donated to the School.

The School actively supports the independent schools' sector, and contributes to the furtherance of educational standards and the quality of pastoral care, through participation in and subscription to umbrella organisations such as IAPS and BSA and through exam setting and curriculum review processes. The School has also developed links with a number of schools and charities overseas both through regular contacts and as opportunity and need arise.

The School continues to promote the use of its facilities at a discounted rate or, where appropriate, gratis. This includes the use of playing fields, astro-pitches, Lynam Hall and music facilities by local schools and other community groups and charities, and in particular those involved in educational or child-related activities.

CHARITABLE OBJECTS, AIMS AND OBJECTIVES

Charitable objects

Dragon School's charitable objects are set out in the Memorandum and Articles of Association. The primary object is to advance the education of the public by acquiring and carrying on any school or schools for the education of children and young adults and by ancillary or incidental educational activities and other associated activities for the benefit of the community. In pursuit of these objects the School operates the Dragon Prep School at Bardwell Road for boys and girls from 8 to 13 years old and the School's Pre-Prep, Dragon Pre-Prep, on a separate site. Dragon Pre-Prep takes boys and girls from the age of 4.

In setting the School's objectives, and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit as updated in September 2013. The School's commitment to providing financial support to pupils whose parents could not otherwise afford to consider a Dragon education predates the 2006 Charities Act and subsequent guidance from the Charities Commission. The pursuit of wider access to the School is held to be of benefit to all Dragon pupils. To support with these goals, the School manages a number of restricted funds to be used in connection with the development of the School's facilities, and the provision of Bursaries, prizes and other educational purposes.

Aims

The Dragon intends to provide a wide-ranging educational experience for all children, stretching all to the best of their respective abilities in academic, artistic, sporting, cultural and social activities. Although excellence is achieved by pupils in many fields, particularly academic, the School is most proud of its liberal ethos, the inclusivity of its educational provision and its pastoral care for all. In addition, the School aims to play a full and effective part in its local community.

Objectives for the year

The Dragon's primary objective this year was to continue to provide the best possible education and care for each and every pupil, ensuring that those leaving for other schools achieve the places desired. In addition, the School has sought to widen access and increase its social impact.

Strategies used to achieve the year's objectives

The School continues formal self-reviews of all areas of operation so as to improve methods and procedures, particularly of teaching and pastoral care, but additionally in the process of monitoring and assessing its own procedures. Specialist external reviews are also sought when deemed valuable. Specific coaching was provided to leavers tailored to the schools of their choice, and the pupils' abilities, to ensure their applications were successful.

The school monitors several key performance indicators throughout the year to assess performance against objectives, including, but not limited to, monitoring success in reaching first choice school, average set size, number of extra-curricular music and drama lessons taken, academic and other awards achieved and results achieved at CE, including number of high performing results.

POLICIES

Grant making

The School is particularly sensitive about the costs associated with delivering first class education, and seeks to extend its facilities as far as possible to those who might not otherwise be able to afford such an education. In particular it continues to carry out specific fund-raising to enable means-tested Bursaries to be awarded, in appropriate circumstances, which cover all or nearly all of the fees. Currently the School provides up to 25 Bursary places at up to 100% grant under its '125th anniversary' scheme. Other awards are made with respect to short-term hardship arising from significant life-changes.

In general, grants are made from the Bursaries, general and other specific funds to provide financial help with the fees. Where significant financial help may be required, the Bursaries Committee considers all circumstances involved in a grant application. This might include, where appropriate, means testing, interviews and home visits, with a view to making grants as fairly and as effectively as possible. All grants are made subject to annual review.

Risk management and key risks

The Governors are responsible for ensuring the management of the risks faced by the Dragon. This is delegated to the General Purposes Committee, who review regularly a summary of the primary risks thought most likely to materialise or have the greatest effect, together with the action taken to mitigate those risks.

Risk mitigating controls

The highest priority is placed on appropriate controls and processes to mitigate risks. Strict adherence to safer recruiting protocols, staff training, and a climate of open communication are fundamental to mitigating safeguarding risks in our School. Operational finance risks are mitigated through in-house oversight and checking. More broadly, risks associated with The Dragon's borrowings of greater than 1-year are mitigated through appropriate hedging financial instruments. Considered financial planning, together with comprehensive management accounting, reporting and budgetary control, ensures the School maintains adequate reserves. Robust governance, strong policies, and effective communication (both internal and external) underpin the School's overall risk mitigation strategy. Internal monitoring of the School's compliance is led by the Compliance Officer on behalf of the Chief Operating Officer and Head.

Reserves

The Governors review the restricted and designated reserves regularly. The specific objects of restricted funds are as follows:

a) The Endowment fund represents amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997. The reserve stood at £3k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries. The reserve stood at £445k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources. The reserve stood at £76k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources. Additional fee concessions and support are provided from the general fund. The reserve stood at £1,300k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the School's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes. The reserve stood at £212k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

f) The 'Capital fund' represents unspent donations raised for building projects – primarily the Music School. Amounts spent on the specific buildings are transferred from the Capital fund to the general fund in the year the expenditure is incurred. The reserve stood at £2,151k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments and cash deposits are held against the future liabilities. The reserve stood at zero at the end of the year as the aim is for the assets to match the liabilities.

None of the restricted funds are limited by their objects as to the expenditure of capital except the Endowed Bursaries and Endowment funds. All surpluses together with borrowings, eg bank loans, are reinvested to improve the School's resources. Comparative financial information for the funds can be found in notes 25 & 26.

At the year end the School had unrestricted reserves in the General Fund of £29,521k, mainly represented by land and buildings, which have been financed by the School's accumulated surpluses and supplemented by bank borrowings. In the absence of free reserves, working capital and cash flow are monitored closely. The Governors' policy is to continue building up reserves out of operating surpluses, subject to the requirements for further capital expenditure. The School's working capital is considered to be sufficient to meet its liabilities as they fall due.

Investment

The Trust's investment powers are governed by its Memorandum and Articles of Association. These permit funds to be invested in such investments, securities or property as may be thought fit. The School invested more of its bursary funds during the year. As these assets are intended to perform over a relatively long term period, targets will be set based on performance of the funds against comparators over a rolling three year period, with comparisons made against alternative investment vehicles each full year. As the investments were made during the year, no comparisons are required for the period.

Prepaid fees funds are invested at the School's discretion in cash deposits or Government stocks so as to match individual schemes' requirements.

Miscellaneous investments represent gifts received of sundry investments. These are held with a view to realising maximum capital value within the short-term foreseeable future and then sold.

Disabled applicants and staff

The School makes inclusion a thread which runs through all its activities. Dragon School seeks to engage with the widest possible range of knowledge, skill and experience in all its activities. The School's policies, therefore, facilitate the employment of disabled people and the provision where appropriate of training and career development. Were an employee to become disabled whilst in service, every effort would be made to retain them.

Communication with staff

Governors place considerable importance on informing all staff of financial and other matters that affect them, consulting with them where appropriate. The Head and Chief Operating Officer report

the outcome of Governors' meetings to staff through the School's formal management structure. All other such matters are briefed to staff as they arise through regular staff meetings.

Staff are encouraged to discuss matters of concern within the staff meetings and any feedback is discussed with the Deputy Heads, Head, Chief Operating Officer and Governors as appropriate. This can then influence school policy in a number of areas.

Relationship with parents and pupils

Dragon School considers its relationship with its parents and pupils to be of the utmost importance. The School prides itself on its open and transparent communication with its parents and pupils and never has this been more important than during the pandemic.

Dragon School issues regular bulletins on a weekly and termly basis and utilises social media to communicate with agility. Parents are encouraged to approach the School as required to ensure effective two communication.

Fundraising

In 2021, the charity undertook fundraising activity with its supporters via direct mail, fundraising events and email in line with the Fundraising Code of Practice set by Fundraising Regulator.

When you support you can be sure of the following:

- We will never sell your contact details to anyone;
- We will only contact you if you have expressed an interest in our work;
- If we phone you, we will always check you are happy to take the call;
- If you ask us to change how we communicate with you, or stop, we will respect that;
- We do not engage in cold-calling, door to door or street fundraising;
- We try hard to ensure no one ever feels pressurised to support our work;
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice;
- All our activities are open, fair, honest and legal.

The charity did not work with any fundraising partners in the academic year 2021.

The charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. We did not receive any complaints about fundraising in 2021.

Dealing with suppliers

Dragon School prides itself on working collaboratively with its suppliers, both large and small.

With the effects of the pandemic still being felt, this was particularly apparent as contracts have been varied to suit the change in demand and we have dealt proactively with suppliers to ensure

the changes and issues caused by the pandemic are minimised. The School has introduced a system to monitor supplier payment terms.

Carbon Reporting

As part of our new reporting requirements, the School has reviewed its greenhouse gas emissions and energy use data to compile a report to meet the SECR reporting requirements. the overall consumption of fossil fuels, direct and indirect, can be summarised as equivalent to production of an amount of carbon dioxide ('CO2e'), measured in tonnes. To do so we have used HM Government's environmental reporting guidelines, the GHG Reporting Protocol and HM Government's 2021 conversion factors for company reporting, and then expressed the tCO2e per pupil.

The table below summarises the energy use relating to electricity, gas combustion and transport.

Electricity use	1,067,838 (*2020: 1,002,597*) kWh
Gas Combustion	3,733,993 (*2020:3,229,433*) kWh
Transport	44,465 (*2020:39,658*) kWh
Total	4,846,297 (*2020: 4,271,688*) kWh

The greenhouse gas emissions associated with the energy use identified in the table above are as follows:

Electricity use	226.7 (*2020: 233.8*) tCO2e
Gas Combustion	683.9 (*2020: 593.8*) tCO2e
Transport	10.5 (*2020: 9.5*) tCO2e
Total	921.1 (*2020: 837.1*) tCO2e

The School consumed an average of 1.15 (*2020: 1.04*) tCO2e/pupil based on 800 (*2020: 804*) pupils.

STRATEGIC REPORT

The School provided education to its pupils in accordance with its stated aims and motto *arduus ad solem*. Demand for places continues to be high, in large part due to the recognised high standards achieved by the School. During the year the School had (on average) 804 pupils in total between the Prep school and Dragon Pre-Prep. Of the total pupils, 480 were boys and 324 were girls.

The School was inspected by the Independent Schools Inspectorate (ISI) in November 2014 and was graded Exceptional for the quality of the pupils' achievements and learning, and Excellent in each of the other eight aspects of the School's work (all judgements being the highest possible descriptors). The four aspects of the quality of the boarding education inspected were also all judged to be Excellent. More recently in April 2020, the School was subject to a Regulatory Compliance inspection by the ISI and was assessed as compliant in every respect. The full text of both inspection reports can be found here:

https://www.isi.net/reports/?name=Dragon%20School

IN-YEAR ACHIEVEMENTS

Dealing with the Covid-19 pandemic

Academic Year 2020/21 has continued to be characterised by the impact of the COVID-19 global pandemic, and the School is rightly proud of its ongoing response. Faced with the challenge of a second lockdown and further enforced closures of schools, the Dragon's agility in transitioning to a remote learning provision again proved crucial.

The earlier investment in IT, including the addition of cameras in all classrooms also meant that a hybrid model of learning could be offered to those pupils who were unable to attend School for COVID-19 related absences. As has been the case throughout the pandemic, we remain immensely proud of the exceptional commitment and professionalism of all our staff. We also remain so grateful for the support we have received from the whole Dragon community in enabling the School to continue to thrive during this time.

The School is delighted to welcome Mrs Emma Goldsmith as its new Head as at 1 September 2021.

The Music Department are extremely pleased to being almost back to normal function after a long two years of disruption.

Our teaching numbers can boast over 750 music lessons a week across wide-reaching disciplines. These cover the full complement of western classical instruments. We have even introduced Music Tech more recently which will certainly be a growing area in the school due to an increased exposure in our Dragon Quest provision (Dragons Rock and Dragon Hits).

Our ensembles have started to spring back to life too with the removal of bubbles. Our choirs are also are once again filling the school with song. We were able to run a live Piano Festival this year

which incorporated the organ for the first time and numerous recorded concert performances from our choirs, strings, guitars and wind groups. We are looking forward to our first live concerts for nearly two years.

Despite the complications caused by Covid, 232 children were still able to take their ABRSM exams with 51 taking Grade 5 or above on 25 different instruments.

Musical outreach events have been understandably curtailed this year but still very much a priority for us. We were able to organise a virtual Dragon Phil Strings Day (in association with Oxford Philharmonic) with a number of local primary schools where staff went into the schools and taught children music with a colourful circus theme. These performances were recorded and combined together to create one performance which was streamed to all the participating schools. We are very much looking forward to our Gamelan Orchestra arriving and already have our first date with a local school in the calendar.

In Games, too, the School's vision of making sport accessible to everyone was embraced enthusiastically by Dragons themselves with our aim being that every child has the chance to represent the School in each major termly sport. There are a variety of other sports available for the children to participate in all year round with a breadth of activities on offer through our clubs' programme in addition to the curriculum sport.

We provide extensive opportunities for the pupils to represent the school at all levels regularly have over 30 different teams playing on a match day, with our more senior sides playing fixtures on arguably the most competitive Prep-School circuit around. Furthermore, a number of Dragons earn representative honours at district, county and regional level in an increasing number of sports, realising the School's twin aims of promoting both participation and excellence.

After four terms of more or less disrupted learning, our leaving pupils sat Common Entrance at school again, achieving 77% A&B Grades – a very good comparison to previous years. Our leavers gained 51 awards to their senior schools, including 25 academic Scholarships or Exhibitions, which is a record in recent times. We are very proud of our remote learning provision, via Zoom and Firefly, which we refined in the Easter Term 2021, taking on key learnings & improvements from the previous summer. These online facilities enabled up to 50 of our overseas pupils to continue their Dragon education throughout the summer term, and for some to conduct their end-of-year exams remotely. We have further rewritten our English curriculum to focus on technical English from Y4-Y7, and have invested in web-based platforms for the core subjects of English and Maths. We are looking forward to a more 'normal' 2021-22!

The School's Social and Environmental Impact programme, is guided, under instructive facilitation, by the pupils themselves. Each pupil can cast a vote for the charitable sectors the School will support. Both veins of thinking are increasingly blended into normal curriculum subjects, as well as functioning as specific projects in the Activities and Clubs programmes. Each year group usually organises one major charity event, or challenge, each year with all pupils in the year group

engaged. In a normal year, these would include A Block pupils (Year 8) being invited to lead their own specific fundraising challenge and B block pupils (Year 7) being given £5 to turn into fundraising projects. Pupils are invited to participate in fundraising for, and the distribution of funds raised by, the Dragon Sale, which is the largest annual Dragon Community fundraising event.

The School continues to take important steps to improve its infrastructure. Its main capital expenditure during the year was on developing the IT infrastructure, particularly relating to the virtual education delivery and continuing progress with designing the Music School project.

Operational performance – Key Performance Indicators

- 100% of leaving children passed to their school of choice.
- 77% of Common Entrance papers were graded A or B
- 51 academic, music, art, sporting and all-round awards were made to Dragon pupils by their secondary schools.
- Fee income was £17,105k (Although note that this was artificially depressed by the pandemic-based fee reductions applied for the Easter term)
- Donations and legacies were £635k
- Staff costs were £10,761k

Operational performance – Widening Access and Social Impact

a) Bursaries and other grants:

Bursaries are at the heart of the Dragon's public benefit provision. The Dragon has a target of 25 Bursary awards across the School in the academic year and new grants per year have been awarded each year to try to meet this target. Bursary awards (day and boarding) were on average just under 75% of the fees at a cost to the School this year of £347k (*2020: 277k*); a range of other grants including staff, hardship and scholarship totalling a further £664k (*2020: £665k*) were awarded between 67 other pupils.

b) Social Impact:

The School believes that as an institution it should give strong support to the wider community. Of equal importance is the conviction that gaining a proper understanding of their social and environmental responsibilities must be a cornerstone of the education of each of its pupils. The School is committed to involving all pupils in such projects.

c) Educational:

The Latin in the Community initiative, whereby Dragon teachers and pupils assist teachers and children from other non-fee-paying schools without this expertise, continues to flourish; surplus equipment is donated to other schools or charities; some members of Dragon staff act as governors

on local and IEB boards; other links and ideas are built into the curriculum through visits, demonstrations, lectures and debates.

d) Music, Sport and Arts:

Dragon musicians have played and sung in public at a variety of charities. International visitors have provided sporting as well as musical interaction. In addition, a range of local schools, charities and local groups and clubs continue to use the School's facilities when available. The provision of facilities for these purposes is valued at an approximate £22k (at the normal discounted rates for charitable use).

e) Community:

During the year the staff and its pupils raised funds for other charities through wide-ranging entrepreneurial activity, most of which is pupil led. In addition, the Dragon Christmas Charity Sale distributed funds for various charities from proceeds of the sale held at the end of the Christmas term on the School's premises, run by the parents with the assistance of pupils and staff.

Operational performance – Fundraising

The School raised £635k (*2020: £469k*) to further its activities this year. The broad fundraising strategy remains to reach out to the whole Dragon community including Old Dragons, current and past parents focusing on meeting two core needs: the maintenance of Bursary funds and supporting the School's capital plans, in particular the Music and Performing Arts Centre. Successful events were held which promoted the Dragon's vision and needs to all these groups.

The School is also the grateful recipient of grants from the Lynam Educational Fund with which it can provide help with fees to parents whose circumstances unexpectedly change, providing continuity of environment and education for children in a period when their home lives may be radically upset and also towards the School's Bursaries.

Operational performance – Financial

The Trust's accounts reflect its general success as a school; this underpins the School's ability to service the bank loan which financed the purchase of the freehold.

Any operating surplus generated by the School is invested in the major capital projects needed to keep the School at the forefront of preparatory education, and in the provision of subsidised education for children otherwise unable to attend such a school. Inevitably, the demand for capital investment continues to exceed available resources and in setting the fees the Governors have to balance accessibility and fairness to current parents with the investment requirements of a leading school. The School is increasingly reliant on fundraising for capital projects.

Fee income fell during the year due to the reduced fees set for the Summer Term in response to the impact of the pandemic. During the year £17,105k (*2020: £16,901*) was generated from fees, 96% of its total income of £17,888k (*2020: £17,209k*).

The other significant element of income is donations and legacies of £635k (*2020: £469k*).

The greatest part of the Trust's expenditure is on staff costs which at £10,761k (*2020: £10,490k*) represent 61% (*2020: 63%*) of expenditure; and of these staff costs, £8,053k (*2020: £7,868k*) are spent on teaching, with an additional £1,220k (*2020: £1,077k*) on welfare and pastoral functions.

Finance costs are significant at £535k payable (*2020: £614k*), mostly as interest on the School's bank loan. Other non-staff costs include direct expenditure on teaching of £1,062k (*2020: £1,105k*), premises of £1,732k (*2020: £1,277k*) and welfare of £1,700k (*2020: £1,454k*). Virtually all these costs, staff, finance and other, which are necessary for the charity to meet its objects, represent semi-fixed overheads.

The School spent £700k (*2020: £1,063k*) on fixed assets. This is mainly represented by a range of ICT upgrades, not least to continue the success of the School's VHC. Numerous smaller equipment purchases, some funded by donation, have been made throughout the teaching and boarding areas.

The Trust's balance sheet is dominated by the net book value of its freeholds £41,264k (*2020: £41,526k*), including, in particular, the main site purchased in January 2007 for £29,733k. In order to finance this purchase, a loan was obtained and this forms the largest part of the liabilities, with the outstanding creditor standing at £10,645k (*2020: £11,352k*). The Trust holds an interest rate swap derivative to hedge against this long term loan and the fair value of this swap was a liability of £1,126k (*2020: £1,690k*) at the end of the year. In addition, the School took a £3,000k Coronavirus Business Interruption Loan towards the end of the previous year to ensure financial stability during the period of uncertainty caused by the Global Covid-19 pandemic. Repayments on this loan begin in September 2021. The other fixed assets are long term investments valued at £1,613k (2020:£nil as investments were held as current assets) The current assets are comprised primarily of cash at £9,521k (*2020: £10,516k*) which offset the creditors due within one year of £5,591k (*2020: £3,422k*) which are chiefly comprised of pupil deposits, amounts owed on the loans and fees received in advance relating to pupils.

Future plans

The School reviews its strategic framework regularly, and a major review and overhaul of the two existing key documents, comprising of Guiding Principles and Development Strategy, is underway. The key objectives representing the main pillars of School development that were set out in the strategy, as updated for recent developments, are:

Academic Development:

- Maintain a leading position and reputation for innovative and exciting teaching and learning.
- Maximise all children's learning potential by improving thinking skills and proving "value-added".
- Embrace new technologies for children's immediate and future educational benefit.
- Achieve more efficient use of teachers' time and resources.

- Contribute academic and pedagogic resources to the wider community.

Pastoral Development:

- Create structures within the School that assist children, staff and parents to develop clear identities.
- Maximise all opportunities in the School to help provide children with the social skills to develop positive relationships with others.
- Ensure that parents are fully involved in the School's pastoral and welfare initiatives.
- Develop training at all levels to help children, staff and parents develop strategies for understanding and promoting good pastoral care.

ICT Development:

- Provide staff with a more effective and efficient teaching platform at School and at home.
- Ensure a safe and secure ICT environment for the Dragon community.
- Develop the School's cyber-security posture and build resilience into the School's ICT infrastructure.
- To further develop the School's goal of becoming a cloud managed environment.

Social Impact and Public Benefit:

- Widen access further by increasing the expanding the Bursary scheme.
- Establish the School as a recognised leader for pupil-led social benefit initiatives.
- Develop the existing initiatives with local schools.
- Reflect sustainable development through policy and practice at all levels.

Facilities Development:

- Build a new Music and Performing Arts Centre to service the growing musical and performing arts needs and aspirations of the Dragon community.
- Provide residential accommodation to allow the School to recruit and retain the best possible staff.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report 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 Trust and its subsidiary ('the group'), and of the result of the group for that year.

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 Trust and subsidiary's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and subsidiary and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- there is no relevant audit information of which the group's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors are grateful for the tremendous parental support for the School in achieving all that it does. It is the commitment of parents, the leadership of the Head, the effort put into caring for the pupils by the staff, and the energy of those pupils, and the dedicated work of the support staff in all their fields of expertise, which make the School what it is today and enables it to face the future with confidence.

This Governors' Report, which incorporates the Strategic Report, was approved by the Governors and signed on their behalf by:



Andrew Webb, Chairman 5 March 2022

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2021:
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DRAGON SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Dragon School Trust Limited for the year ended 31 August 2021 which comprise Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group 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 state of the group's and of the parent charitable company's affairs as at 31 August 2021 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governor's Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Governor's Annual 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governor's Annual Report (which incorporates the strategic report and the directors' report).

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

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

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

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

intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliances with laws and regulations related to the regulatory requirements of the Charity Commission, the Independent Schools Inspectorate (ISI) and the statutory safeguarding and child protection guidance issued by the Department for Education (DfE), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019), Companies Act 2006 and payroll taxes.

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

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Use of our report

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

Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 14 March 2022

10 Queen Street Place
London
EC4R 1AG

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2021:
GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2021	*Total funds 2020*
		£'000	£'000	£'000	*£'000*	*£'000*
INCOME FROM:						
Charitable activities						
School fees	2.	17,105	-	-	17,105	*16,901*
Other educational	3.	41	-	-	41	*36*
Other ancillary trading	4.	5	-	-	5	*3*
Other trading activities						
Non-ancillary trading		21	-	-	21	*13*
Investments						
Investment income	5.	1	5	-	6	*13*
Bank and other interest	6.	6	-	-	6	*42*
Voluntary sources						
Donations and legacies	7.	31	604	-	635	*469*
Government grants		69	-	-	69	*210*
Total income		17,279	609	-	17,888	*17,687*
EXPENDITURE ON:						
Raising funds						
Fundraising for voluntary resources		241	-	-	241	*206*
Trading		11	-	-	11	*10*
Other		53	-	-	53	*93*
Total costs of raising funds		305	-	-	305	*309*
Charitable activities						
Schools and grantmaking		16,336	347	-	16,683	*15,612*
Schools - financing costs	9.	535	-	-	535	*614*
Total costs of charitable activities		16,871	347	-	17,218	*16,226*
Total expenditure	8.	17,176	347	-	17,523	*16,535*
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		103	262	-	365	*1,152*
Investment gains/(losses)		30	153	51	234	*(42)*
NET INCOME		133	415	51	599	*1,110*
Fair Value gains	18c.	565	-	-	565	*527*
Transfers between funds	26.	207	(207)	-	-	*-*
NET MOVEMENT IN FUNDS		905	208	51	1,164	*1,637*
Fund balances at 1 September 2020		28,624	3,531	397	32,552	*30,915*
FUND BALANCES AT 31 AUGUST 2021		29,529	3,739	448	33,716	*32,552*

All activities are continuing. No separate income and expenditure account as required under the Companies Act 2006 has been presented, as there are no differences between that and the Statement of Financial Activities presented above. The notes on pages 7 to 25 form part of these accounts.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2021:
GROUP AND CHARITY BALANCE SHEETS

	Note	**Group**		Charity	
		2021	***2020***	2021	*2020*
		£'000	***£'000***	£'000	*£'000*
Fixed assets					
Tangible assets	12.	**42,334**	***42,444***	42,334	*42,444*
Investments	15.	**1,613**	**-**	1,613	-
		43,947	***42,444***	43,947	*42,444*
Current assets					
Stock	13.	**8**	***6***	6	*5*
Debtors	14.	**752**	***464***	738	*461*
Investments	15.	**-**	***254***	-	*254*
Cash at bank and in hand	16.	**9,521**	***10,516***	9,521	*10,516*
		10,281	***11,240***	10,265	*11,236*
Creditors: due within one year	17.	**(5,591)**	***(3,422)***	(5,583)	*(3,418)*
Net current assets		**4,690**	***7,818***	4,682	*7,818*
Total assets less current liabilities		**48,637**	***50,262***	48,629	*50,262*
Creditors: due in more than one year	18.	**(14,921)**	***(17,710)***	(14,921)	*(17,710)*
Total net assets	26.	**33,716**	***32,552***	33,708	*32,552*
Endowment funds		**448**	***397***	448	*397*
Restricted funds		**3,739**	***3,531***	3,739	*3,531*
Unrestricted funds		**29,529**	***28,624***	29,521	*28,624*
Fund balances	27.	**33,716**	***32,552***	33,708	*32,552*

The notes on pages 9 to 26 form part of these accounts.

In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Dragon School Trust Limited. The Trust net income for the year was £1,156k (*2020: £1,657k*).

The financial statements were approved and authorised for issue by the Board of Governors
On 5 March 2022 and were signed below on its behalf by



Andrew Webb, Chairman 5 March 2022

Company number: 00524331

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2021:
GROUP STATEMENT OF CASH FLOWS

	Note	2021		*2020*	
		£'000	£'000	*£'000*	*£'000*
Net cash inflow from operations	(a).		1,988		*3,067*
Cash flows from investing activities					
Interest paid		(555)		*(654)*	
Interest received		6		*42*	
Receipts from disposals of investments		126		-	
Payments for investments		(1,251)		-	
Investment income receipts		6		*13*	
Payments for tangible fixed assets		(700)		*(1,063)*	
Net cash used in investing activities			(2,368)		*(1,662)*
Cash flows from financing activities					
Receipts from prepaid fees scheme		383		*30*	
Payments from prepaid fees scheme		(293)		*(434)*	
Additional borrowing		-		*3,000*	
Loan repayments		(705)		*(994)*	
Net cash used in financing activities			(615)		*1,602*
Change in cash and cash equivalents in the reporting period			(995)		*3,007*
Cash and cash equivalents at the beginning of the reporting period			10,516		*7,509*
Cash and cash equivalents at the end of the reporting period			9,521		*10,516*

Charity law requires separate administration of the cashflows of endowed and other restricted funds of the Trust. This constraint has not adversely affected group cashflows as stated above.

a) Reconciliation of net income to cash flow from operating activities	2021 £'000	*2020 £'000*
Net income	1,164	*1,637*
Investment (gains)/losses	(234)	*42*
Fair value (gains)	(565)	*(527)*
Interest payable	535	*602*
Interest receivable	(6)	*(42)*
Investment income	(6)	*(13)*
Depreciation charges	810	*748*
(Increase)/decrease in stocks	(2)	*2*
(Increase)/decrease in debtors	(288)	*692*
Increase/(Decrease) in creditors	580	*(74)*
Net cash inflow from operating activities	1,988	*3,067*

b) Analysis of cash flows and net debt

	1 Sept 2020	Cashflow	Other movements	31 Aug 2021
	£'000	£'000	£'000	£'000
Cash at bank and in hand	10,516	(995)	-	9,521
Debt: bank loans	(14,351)	706	-	(13,645)
	(3,835)	(289)	-	(4,124)

The notes on pages 7 to 24 form part of these accounts.

1. ACCOUNTING POLICIES

a) General information
The School is a Public Benefit Entity, registered as a charity (charity number: 309676) and company limited by guarantee (company number: 524331). The School's registered office address is: Dragon School, Bardwell Road, Oxford, OX2 6SS.

b) Basis of accounting
The accounts are prepared under the historical cost convention as modified by the revaluation of listed investments, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Second Edition, Effective 1 January 2019.

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 functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates. The balances in the accounts are rounded to the nearest thousand.

c) Consolidation/ group accounts
The Trust has beneficial ownership of 100% of the share capital of Dragon School Trading Limited. The group accounts consolidate the results of this subsidiary, which are summarised in note 28. As the subsidiary pays any surpluses to the parent, the surplus dealt with in the parent company's accounts is identical to that shown on the group income and expenditure account. The Trust's Governors represent the ultimate controllers of the group.

d) Critical accounting judgements and estimates and key sources of estimation uncertainty
In the application of these accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. The Governors consider the following item to be an area subject to estimation and judgement:

Depreciation:
The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Although tangible fixed assets are significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically, no changes have been required.

1. ACCOUNTING POLICIES (continued)

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's accounts.

e) Income – fees and similar income
Income is recognised, in general, only with respect to the period of account and are stated after deducting Bursaries, scholarships and other remissions allowed by the School. Fees paid with respect to future terms are carried forward as liabilities; and donations of any sort are included only when resources are irrevocably transferred. School fees include extras. Other Educational Income primarily consists of registration fees and income from the hiring out of some of the school's facilities at certain times during the year. Income from such sources is recognised over the period in which the relevant service is delivered.

f) Income – donations
Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Donations received for the general purposes of the School are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are credited to the relevant Restricted Funds or Endowment Funds.

g) Income – investments
Interest is included on an accruals basis. Dividends from investment funds are included as receivable on the due dates.

h) Expenditure
With respect to resources expended running the school, 'property' includes costs of maintaining the buildings used for educational purposes, while 'welfare' include boarding and catering costs; 'support' represents other costs of servicing the direct teaching function, including governance costs. Irrecoverable VAT is included with the item of expense to which it relates in all cases. Overheads and other costs not directly attributable to a functional activity are apportioned on the basis of management estimates consistently applied.

i) Fund accounting
The School has three types of funds

- Restricted - where the purpose for which the funds may be used has been restricted by donors;
- Endowment - where the capital is held in perpetuity to generate distributable income; and
- Unrestricted - where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted but the Governors have designated them for a specific purpose.

j) Tangible fixed assets
Land and buildings are shown at original cost. Fixtures and fittings are capitalised when they are included in the provision of additional facilities, such as when a building is extended or converted; other fixtures and fittings are charged to revenue in the year of purchase. Equipment costing over £1k is capitalised.

Depreciation is provided on all assets other than freehold land. Freehold buildings are amortised on a straight line basis, taking into account their estimated residual value, which in the case of education-specific buildings is considered negligible but in the case of residential property is expected to approximate their original costs. Leasehold land and buildings are amortised over the period of the lease. With respect to other assets depreciation is provided at straight line on cost.

The estimated lifetimes of various types of assets in use are:

Freehold buildings	50 years
Other	3-10 years

1. ACCOUNTING POLICIES (continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

k) Operating lease rentals
Rentals paid under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

l) Investments
Investments are a form of basic financial instrument and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Gains and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses are calculated as the difference between sale proceeds and opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value of investments at the year-end and their carrying value. Realised and unrealised investment gains and losses are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investment subsidiaries are valued at cost less provision for impairment.

m) Stock
Stock of consumables held at the year-end are valued at cost, subject to their usability. Stock held for resale is valued at the lower of cost and net realisable value. Purchases of educational materials for the next academic year are carried forward as prepayments.

n) Debtors
Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

o) Cash at bank and in hand
Cash at bank and in hand includes cash and deposits with a short term maturity of six months or less from the date of opening the deposit account.

p) Creditors
Creditors are recognised where the School has a present obligation arising 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 reliably. Amounts are recognised at their settlement amount.

q) Property creditor
The long-term property creditor has been discounted to net present value using the Trust's fixed bank borrowing rate. Interest is charged to income and expenditure account at this rate and added to the outstanding credit balance until the date of repayment.

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

1. ACCOUNTING POLICIES (continued)

Financial assets / liabilities held at fair value through the profit or loss comprise derivatives. Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the SoFA as a fair value movement. The School does not currently apply hedge accounting for interest rate swap derivatives.

s) Pension costs

Pension costs represent contributions under the Teachers' Pensions Agency (TPA) teachers' superannuation scheme, various defined contribution schemes and provision against amounts due with respect to specific obligations recognised by the Trust. Both the TPA and the defined contribution schemes' costs are shown in the accounts as charged, the payments being made to external funds.

2. CHARITABLE ACTIVITIES - SCHOOL FEES	2021	*2020*
	£'000	*£'000*
School fees and extras	17,770	*17,523*
less scholarships, Bursaries and grants	(1,012)	*(943)*
	16,758	*16,580*
Bursaries paid from restricted funds	347	*321*
	17,105	*16,901*

3. CHARITABLE ACTIVITIES – OTHER EDUCATIONAL	2021	*2020*
	£'000	*£'000*
Registration fees	41	*36*
	41	*36*

4. CHARITABLE ACTIVITIES – ANCILLARY TRADING	2021	*2020*
	£'000	*£'000*
Commission and similar income	5	*3*
	5	*3*

5. INVESTMENT INCOME	2021	*2020*
	£'000	*£'000*
Listed and other investments	6	*13*
	6	*13*

6. BANK AND OTHER INTEREST	2021	*2020*
	£'000	*£'000*
Bank interest	2	*34*
Other	4	*8*
	6	*42*

7. DONATIONS AND LEGACIES	2021 £'000	*2020* *£'000*
Donations for:		
Bursaries	542	*331*
Other	93	*138*
	635	*469*

8a. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £'000	Depr'n £'000	Other £'000	2021 Total £'000
Cost of raising funds				
Fundraising for voluntary resources	211	-	30	241
Trading costs	-	-	11	11
Other costs	-	-	53	53
Total cost of raising funds	211	-	94	305
Charitable activities				
Schools and grantmaking				
Teaching	8,053	28	1,062	9,143
Welfare	1,220	47	1,700	2,967
Premises	244	412	1,732	2,388
Support costs of schooling (including governance – note 8c)	1,033	323	482	1,838
Grants, awards and prizes (note 8b)	-	-	347	347
	10,550	810	5,323	16,683
Schools - financing costs (note 9)	-	-	535	535
Total costs of charitable activities	10,550	810	5,858	17,218
Total expenditure	10,761	810	5,952	17,523

No allocation has been made of senior management time spent on governance matters as such time is additional to full time roles providing support to the School's teaching. Staff costs are further detailed in note 10.

8a. ANALYSIS OF TOTAL EXPENDITURE (cont'd)

Prior year comparative information

	Staff costs £'000	Depr'n £'000	Other £'000	2020 Total £'000
Cost of raising funds				
Fundraising for voluntary resources	*147*	-	*59*	*206*
Trading costs	-	-	*10*	*10*
Other costs	-	-	*93*	*93*
Total cost of raising funds	*147*	-	*162*	*309*
Charitable activities				
Schools and grantmaking				
Teaching	*7,868*	*38*	*1,105*	*9,011*
Welfare	*1,077*	*51*	*1,454*	*2,582*
Premises	*285*	*377*	*1,277*	*1,939*
Support costs of schooling (including governance – note 8c)	*1,113*	*282*	*363*	*1,758*
Grants, awards and prizes (note 8b)	-	-	*323*	*323*
	10,343	*748*	*4,522*	*15,613*
Schools - financing costs (note 9)	-	-	*613*	*613*
Total costs of charitable activities	*10,343*	*748*	*5,135*	*16,226*
Total expenditure	*10,490*	*748*	*5,297*	*16,535*

8b. GRANTS, AWARDS AND PRIZES

	2021 £'000	*2020 £'000*
From Restricted Funds:		
Bursaries and other grants and awards	347	*321*
	347	*321*

8c. GOVERNANCE COSTS

	2021 £'000	*2020 £'000*
Auditors' remuneration – audit (Group)	14	*21*
Auditors' remuneration – audit (subsidiary)	2	*2*
Auditors' remuneration – non-audit	2	*2*
Reimbursement of expenses to Governors	-	*1*
Other governance costs	9	*8*
	27	*34*

9. FINANCING COSTS	2021	*2020*
	£'000	*£'000*
Interest payable is due on:		
Bank loans and overdrafts	532	*603*
Discounts allowed on prepaid fees	3	*11*
	535	*614*

Financing costs are included in costs of charitable activities as part of the operation of the School.

10. EMPLOYEES	2021	*2020*
	£'000	*£'000*
Staff costs:		
Wages and salaries	8,460	*8,260*
National Insurance	831	*811*
Pension costs	1,470	*1,419*
Severance pay	-	*-*
	10,761	*10,490*
The numbers of employees whose remuneration was over £60k fell into the following bands:	No.	*No.*
£60 - £70k	3	*7*
£70 - £80k	4	*5*
£80 - £90k	4	*3*
£100-£110k	2	*1*
£110-£120k	1	*1*
£120-£130k	-	*1*
These higher paid staff had a mix of defined contribution and defined benefit pension schemes, total cost:	£'000	*£'000*
	194	*241*
Total pension costs were made up of:	£'000	*£'000*
TPA pension contributions	1,254	*1,219*
Defined contribution schemes	216	*200*
	1,470	*1,419*

The total employment costs of key management personnel, who are considered to consist of the Head, Head of the Pre-prep, the Chief Operating Officer, the Governors and the Deputy Heads during the year was £810k (*2020: £790k*).

The Governors did not receive any remuneration. The accounts do not estimate the value of their time and expertise in governance and support roles, though this is considerable. No Governors received travel expenses during the year (*2020: five for travel totalling £1,505*).

10. EMPLOYEES (continued)

The average number of employees, based on head count, excluding Governors, was:	2021 No.	*2020* No.
Teaching	203	*213*
Pensioners	6	*6*
Support staff	120	*146*
Development	3	*3*
	332	*368*

11. TAXATION

As a registered charity the Trust does not pay corporation tax on surpluses arising from its charitable activities. The Trust's subsidiary, Dragon School Trading Limited, pays corporation tax on profits, but these are nil for tax purposes after allowing for the payment of profits to the parent company as a charge. The Trust suffers irrecoverable VAT on all purchases other than those made by its subsidiary trading company. Irrecoverable VAT paid to HMRC totalled approximately £598k (*2020: £577k*) during the year.

12. TANGIBLE FIXED ASSETS (group *and* parent company) for own use:

	Freehold property	Motor vehicles	Other	TOTAL
	£'000	£'000	£'000	£'000
Cost				
at 1 September 2020	48,399	210	6,082	54,691
additions	57	-	643	700
disposals	-	-	-	-
at 31 August 2021	48,456	210	6,725	55,391
Depreciation				
at 1 September 2020	6,873	179	5,195	12,247
charge	319	14	477	810
released	-	-	-	-
at 31 August 2021	7,192	193	5,672	13,057
Net book value				
at 1 September 2020	*41,526*	*31*	*887*	*42,444*
at 31 August 2021	41,264	17	1,053	42,334

The rebuild cost of properties included in freehold was approximately £62,903k at the most recent insurance review (September 2021), though this does not include the value of the land itself. Governors are of the opinion that the current market value of freeholds is considerably in excess of the historical cost shown. With respect to other assets (fixtures, fittings and equipment), these are insured for £3,742k. These values are cited merely for comparison with the historical cost figures shown above. The School does not own any heritage assets.

Virtually all assets held are used for the purposes of the School's operation; some small proportion is used for management and trading, but identification of the amounts involved is not practicable.

13. STOCKS

	Group		Parent company	
	2021	*2020*	2021	*2020*
	£'000	*£'000*	£'000	*£'000*
Goods for resale	2	*1*	-	*-*
Consumables	6	*5*	6	*5*
	8	*6*	6	*5*

14. DEBTORS

	Group		Parent company	
	2021	*2020*	2021	*2020*
	£'000	*£'000*	£'000	*£'000*
Trade debtors	524	*284*	510	*279*
Amount owed by subsidiary	-	*-*	-	*2*
Loans	1	*3*	1	*3*
Prepayments	197	*177*	197	*177*
Accrued income	30	*-*	30	*-*
	752	*464*	738	*461*

15. INVESTMENTS

	Group and parent company	
	2021	*2020*
Investments are shown at market value:	£'000	*£'000*
Other U.K. listed investments held as current assets	-	*254*
Other U.K. listed investments held as fixed assets	1,613	*-*
	1,613	*254*
Historical cost:	1,323	*173*
Value of investments:		
brought forward	254	*296*
disposals at value brought forward	(126)	*-*
acquired	1,251	*-*
change in unrealised values	234	*(42)*
carried forward	1,613	*254*

16. CASH AT BANK AND IN HAND

	Group		Parent company	
	2021	*2020*	2021	*2020*
	£'000	*£'000*	£'000	*£'000*
Cash on deposit	9,520	*10,512*	9,520	*10,512*
Current bank accounts and petty cash	1	*4*	1	*3*
	9,521	*10,516*	9,521	*10,515*

17. CREDITORS: DUE WITHIN ONE YEAR	Group		Parent company	
	2021	*2020*	2021	*2020*
	£'000	*£'000*	£'000	*£'000*
Bank loans and overdrafts	2,152	*486*	2,152	*486*
Trade creditors	573	*202*	565	*202*
Taxation and social security	405	*372*	405	*372*
Accruals	442	*327*	442	*323*
Deferred income				
- fees received in advance	1,351	*1,365*	1,351	*1,365*
- deposits held	497	*481*	497	*481*
- prepaid fees scheme	171	*189*	171	*189*
	5,591	*3,422*	5,583	*3,418*

18a. CREDITORS: DUE IN IN MORE THAN ONE YEAR	Group and parent company	
	2021	*2020*
	£'000	*£'000*
Bank loans	11,493	*13,865*
Deferred income: prepaid fees	320	*210*
Deposits held	1,982	*1,945*
Interest rate swap derivative	1,126	*1,690*
	14,921	*17,710*

18b. ANALYSIS OF LONG TERM CREDITORS

Long term creditors are due in less than five years except as follows:

Bank loans:		
due within one year	2,152	*486*
due between two and five years	9,546	*9,169*
due in more than five years	1,947	*4,696*
	13,645	*14,352*
Deferred income - prepaid fees 19.		
due within one year	171	*189*
due between two and five years	320	*210*
	491	*399*
Deposits held:		
due within one year	497	*481*
due between two and five years	1,558	*1,543*
due in more than five years	424	*402*
	2,479	*2,426*
Interest rate swap derivative		
due in more than five years	1,126	*1,690*

18c. LONG TERM CREDITORS: EXPLANATORY NOTES

£21,000k was borrowed from Coutts & Co to fund the first payment for the freehold of the School's site on 31 January 2007, with the option to draw down a further amount by January 2014 so as to pay the deferred balance due for the purchase of the School's freehold, due by the end of that month. This option was exercised during the 2014 year, a further £6,000k being borrowed from the bank.

This loan is repayable by fixed instalments totalling £2,121k per annum (which amount anticipated the additional draw down). A hedging facility was simultaneously arranged so that in effect interest is fixed at 5.615%. The loan is secured by a fixed and floating charge on the whole of the Trust's property, together with additional specific charges over several freehold properties. The loan outstanding at the year-end (£10,645k) represents less than half of the value of properties used for security. During the year, the capital element of one repayment (£707k) was deferred. The School agreed with the bank that the capital repayments due in September 2021 and January 2021 would also be deferred. These deferred payments will need to be made by the end of the term of the loan.

The Interest Rate Swap Derivative is the mark to market valuation adjustment on the fixed rate hedging facility mentioned above.

Om 28 August 2020, £3,000k was borrowed from Coutts & Co under the UK Government backed Coronavirus Business Interruption Loan scheme. The loan is repayment by instalments over a five year period starting in August 2021. The loan is secured by a fixed and floating charge over the property also secured under the existing loan from Coutts & Co mentioned above. The interest rate on the loan at the year end was 3.50% over Coutts Base Rate, currently 3.60%.

19. PREPAID FEES ACCOUNT

	Group and parent company	
	2021	*2020*
	£'000	*£'000*
Balance at the beginning of the year	399	*792*
New contracts	383	*30*
Amounts accrued to contracts as debt-financing costs	2	*11*
Amounts used in payment of fees		
– to the School	(223)	*(434)*
– to other Schools	(70)	-
Balance at year end	491	*399*

20. PENSIONS

During the year, the majority of the staff participated in one of two pension schemes: the Teachers' Pension Scheme (TPS) run by the Teachers' Pension Agency specifically for teaching staff, and a defined contribution scheme for other staff, formerly with Aviva and from March 2013 with Scottish Widows.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2021, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2021. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2021. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2020 announced that there would be a review of this cost cap mechanism, in January 2021 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

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

Subsequent to the year end, on 1 September 2021, the School left the TPS scheme. The school put in place a defined contribution scheme with Royal London which staff previously in the TPS could join. The assets of the scheme are held separately from the Trust in an independently administered fund. The employer contributes up to 16.48% corresponding to employees' chosen contribution rates.

The school also operates a defined contribution scheme with Scottish Widows. The assets of the scheme are held separately from the Trust in an independently administered fund. The employer contributes up to 12% corresponding to employees' chosen contribution rates.

Included within salary costs are payments to certain former staff members or their spouses whose pension provision prior to the School adopting the Teachers' Pension Scheme was inadequate during their employment. The total amount paid was £20k (*2020: £22k*). The Trust is under no legal obligation to

continue with these payments and accordingly the accounts do not include any estimate, actuarial or otherwise, of a possible total future commitment.

21. RELATED PARTIES

One of the Governors had children at the School during the year, for which they are charged normal fees and extras as agreed in the standard parent-school contract.

In addition to assisting the school in raising funds, Governors themselves make charitable donations to the school from time to time, but there is no requirement to do so. The total charitable contributions in the year from Governors was £2k (*2020: £10k*).

The School also had transactions with its subsidiary company, Dragon School Trading Limited, which are detailed in note 28.

There were no other related party transactions in the current or previous year.

22. CAPITAL COMMITMENTS

The School had no capital commitments (*2020: none*) with respect to building contracts in progress at the year-end. There were no amounts committed but not yet contracted.

23. FINANCE LEASE COMMITMENTS

The School has no future minimum lease commitments under non-cancellable finance leases.

24. OPERATING LEASE COMMITMENTS

The School had total future minimum lease commitments under non-cancellable operating leases as follows:

	Group and parent company	
	2021	*2020*
Land & Buildings	£'000	*£'000*
Due within 1 year	-	*12*

	Group and parent company	
	2021	*2020*
Other	£'000	*£'000*
Due within 1 year	15	*3*
	9	-

The total operating lease expense recognised in the SoFA for the year is £28k (*2020: £41k*).

25. FUNDS: DETAILED MOVEMENTS

	Balance at 1 Sept 2020	Incoming resources	Outgoing resources	Investment gains/ (losses)	Transfers between funds	Balance at 31 Aug 2021
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	394	-	-	51	-	445
	397	-	-	51	-	448
RESTRICTED FUNDS						
Knatchbull Memorial fund	57	2	-	17	-	76
Bursaries funds	967	544	(347)	136	-	1,300
Capital fund	2,130	21	-	-	-	2,151
Development fund	377	42	-	-	(207)	212
	3,531	609	(347)	153	(207)	3,739
UNRESTRICTED FUNDS						
Prepaid fees	-	-	(2)	-	2	-
General fund	28,621	17,258	(17,161)	595	208	29,521
	28,621	17,258	(17,163)	595	210	29,521
CHARITY total funds	30,549	17,867	(17,510)	799	3	33,708
Non-charity trading funds	3	21	(13)	-	(3)	8
GROUP	32,552	17,888	(17,523)	799	-	33,716

Prior year comparative information	Balance at 1 Sept 2019	Incoming resources	Outgoing resources	Investment gains/ (losses)	Transfers between funds	Balance at 31 Aug 2020
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	394	-	-	-	-	394
	397	-	-	-	-	397
RESTRICTED FUNDS						
Knatchbull Memorial fund	66	2	(1)	(10)	-	57
Bursaries funds	979	331	(321)	(22)	-	967
Capital fund	2,430	31	-	-	(331)	2,130
Development fund	263	114	-	-	-	377
	3,738	478	(322)	(32)	(331)	3,531
UNRESTRICTED FUNDS						
Prepaid fees	-	-	(11)	-	11	-
General fund	26,759	17,196	(16,192)	517	341	28,621
	26,759	17,196	(16,203)	517	352	28,621
CHARITY total funds	30,894	17,674	(16,525)	485	21	32,549
Non-charity trading funds	21	13	(10)	-	(21)	3
GROUP	30,915	17,687	(16,535)	485	-	32,552

26. FUNDS: NET ASSETS	Fixed Assets	Invest-ments	Other net current assets	Long term liabilities	Total net Assets at 31 Aug 2021
	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	425	20	-	445
	-	425	23	-	448
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	68	8	-	76
Bursaries funds	-	996	304	-	1,300
Capital fund	-	-	2,151	-	2,151
Development fund	-	-	212	-	212
	-	1,064	2,675	-	3,739
UNRESTRICTED FUNDS					
Prepaid fees	-	-	320	(320)	-
General fund	42,334	124	1,664	(14,601)	29,521
	42,334	124	1,984	(14,921)	29,521
CHARITY total funds	42,334	124	4,682	(14,921)	33,708
Non-charity trading funds	-	-	8	-	8
GROUP	42,334	1,613	4,690	(14,921)	33,716

Prior year comparative information	Fixed Assets	Invest-ments	Other net current assets	Long term liabilities	Total net assets at 31 Aug 2020
	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	-	394	-	394
	-	-	397	-	397
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	51	6	-	57
Bursaries funds	-	101	866	-	967
Capital fund	-	-	2,130	-	2,130
Development fund	-	-	377	-	377
	-	152	3,379	-	3,531
UNRESTRICTED FUNDS					
Prepaid fees	-	-	210	(210)	-
General fund	42,444	102	3,575	(17,500)	28,621
	42,444	102	3,785	(17,710)	28,621
CHARITY total funds	42,444	254	7,561	(17,710)	32,549
Non-charity trading funds	-	-	3	-	3
GROUP	42,444	254	7,564	(17,710)	32,552

27. FUNDS: EXPLANATORY NOTES

a) The Endowment fund represent amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other Bursaries.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named Bursaries; the costs of Bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources.
Additional fee concessions and support are provided from the general fund.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the school's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes as funds are transferred to the General fund when spent.

f) The 'Capital fund' was previously included within the generality of the 'Development fund' but, as it has grown significantly is now shown separately. This represents unspent donations raised for building projects – currently the Music School. Amounts spent on the specific buildings are transferred from the Capital fund to the general fund in the year the expenditure is incurred.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments in government stocks and cash deposits are held against the future liabilities.

28. TRADING SUBSIDIARY

The Trust holds 100 ordinary shares of £1 each, representing 100% of the issued share capital of Dragon School Trading Limited, a company incorporated in England and Wales. The value of the investment as determined by the equity method is £100. These shares are included on the parent company balance sheet as investments held as fixed assets:

	2021	*2020*
	£	*£*
Shares in subsidiary company at cost	100	*100*

The Trust advances working capital as necessary to the trading company to finance its operations. Interest is charged on the amount outstanding from time to time at the same rate as charged by the Trust's bankers.

The Trading company's results for the year, and balance sheet at the year end, from the audited accounts, are summarised below:

	2021	*2020*
	£'000	*£'000*
Turnover	21	*21*
Cost of sales	(6)	*(7)*
Gross profit	15	*5*
Administration expenses	(7)	*(4)*
Profit for the financial year	8	*1*
To be paid to Dragon School Trust Ltd under gift aid	8	*1*
Generated for parent company:		
Surplus above	8	*1*
Management charges from Trust	4	*3*
	12	*4*
Current assets	15	*12*
Intercompany account	1	*(4)*
Current liabilities	(8)	*(7)*
Net assets	8	*1*
Called up share capital	-	*-*
General reserves	8	*1*
	8	*1*

29. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

	Note	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2020
		£'000	£'000	£'000	*£'000*
INCOME FROM:					
Charitable activities					
School fees	2.	16,901	-	-	16,901
Other educational	3.	36	-	-	36
Other ancillary trading	4.	3	-	-	3
Other trading activities					
Non-ancillary trading		13	-	-	13
Investments					
Investment income	5.	4	9	-	13
Bank and other interest	6.	42	-	-	42
Voluntary sources					
Donations and legacies	7.	-	469	-	469
Government grants		210	-	-	210
Total income		17,209	478	-	17,687
EXPENDITURE ON:					
Raising funds					
Fundraising for voluntary resources		206	-	-	206
Trading		10	-	-	10
Other		93	-	-	93
Total costs of raising funds		309	-	-	309
Charitable activities					
Schools and grantmaking		15,290	322	-	15,612
Schools - financing costs	9.	614	-	-	614
Total costs of charitable activities		15,904	322	-	16,226
Total expenditure	8.	16,213	322	-	16,535
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		996	156	-	1,152
Investment gains/(losses)		(10)	(32)	-	(42)
NET INCOME		986	123	-	1,110
Fair Value gains	18c.	527	-	-	527
Transfers between funds	26.	331	(331)	-	-
NET MOVEMENT IN FUNDS		1,844	(207)	-	1,637
Fund balances at 1 September 2020		26,780	3,738	397	30,915
FUND BALANCES AT 31 AUGUST 2021		28,624	3,531	397	32,552

DRAGON SCHOOL TRUST LIMITED

England & Wales - Charity number 309676

Accounts

DRAGON SCHOOL TRUST LIMITED

GROUP ACCOUNTS FOR THE YEAR ENDED

31 AUGUST 2020

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Company number: 524331

Registered charity number: 30967

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2020:
SUMMARY REVIEW BY THE CHAIR OF GOVERNORS AND HEADMASTER

Academic year 2020 has been a period of dramatic change and disruption for all institutions and the global pandemic has inevitably had an impact upon Dragon School and its wider community. Given this highly unusual period in the Dragon's history, it is appropriate to highlight some of the major events this year, whilst recognising that the School is not defined by its response to the pandemic alone.

On the academic front, this was an exceptional year. Faced with the challenge of lockdown, the Virtual Holistic Curriculum (VHC) was launched successfully in April 2020, incorporating through remote learning, the key elements normally provided on site, including live teaching which embraced the full curriculum of academic, academic enrichment, creative subjects, learning support, sport, pastoral support, and whole-school Assemblies. 13+ Common Entrance (CE) exams were notably successful this year, with all CE candidates being offered unconditional places at their first choice of senior school. The exams were taken at home in a virtually invigilated exam hall during lockdown, with the scripts then marked by school staff. 87% of pupils gained A and B grades overall: in English the A-B attainment was 79%; in Science 85%, and in Maths 91% of pupils gained A-B grades. This was also an exceptional year for 13+ awards to senior schools, with 55 scholarships and exhibitions being awarded across the curriculum to a wide range of senior schools. When pupils returned to the classroom they have been able to benefit from the installation of new Promethean interactive white boards which have enhanced the teaching and learning experience further.

This was also a notable year for the School with the introduction of Dragon*QUEST*, an optional curriculum enrichment programme. It is currently accessible to our year 4 and 5 pupils and the programme will be expanded to all pupils in the Prep School from September 2021. This year's launch was an outstanding success with over 90% of our pupils opting in and enjoying the wide range of activities available.

Dragon School always has an eye on the future and our development office maintains as its focus the principal goals of fundraising for the new Music and the Performing Arts Centre and endowing our Bursaries Campaign. Despite the impact of the pandemic this year, we are on track to progress the building project, commencing construction in 2021 with the aim of completing early in 2023. With regard to bursaries, the School is forging ahead with its ambition of growing a £15M endowment fund to support pupils who could not otherwise afford a Dragon education. It is our goal to reach this target by our 150th Anniversary in 2027.

Following the UK Government's decision to close schools on 20 March 2020 and the complex, evolving guidance issued by the Department for Education (DfE) and Public Health England (PHE), the School's response in meeting these challenges can be best understood by five key themes: agility, innovation, professional excellence, community and resilience.

Agility

The Dragon's decision in 2019 to invest in new technology to allow more flexible working was a critical enabler in the successful delivery of our new remote learning experience. The School's IT infrastructure underwent a significant upgrade building resilience and adding further levels of security. Plus, all teaching staff were issued with leading-edge mobile IT devices. These investments proved invaluable in giving our teaching staff the confidence to prepare and continue to deliver education to our young Dragons in a way that could not have been foreseen as we entered 2020. With Government guidance being continually updated, we were able to remain agile throughout the Summer Term.

Finally, with some meticulous timetabling of attendance, pupils across all year groups were able to enjoy some time physically back at School before the end of the Summer Term and the end of the academic year. This was especially important for those pupils who were leaving the Dragon at the end of the school year. While we were unable to offer any boarding during the Summer Term 2020, some of our boarders chose to return to school as day pupils so they could have a sense of completion of the academic year.

Innovation

Although the Government closed schools on 20 March 2020, Dragon School was determined to remain open for the delivery of education, albeit with no pupils other than key worker children and essential staff physically in school. The Dragon's solution to the need to continue to deliver education while pupils were unable to be at school was to design, innovate and launch the VHC. This provided a blend of live online teaching, a crucially important central component for all pupils, pre-recorded teaching material, and online resources, all of which was tailored to each year group and indeed to different sets and exam requirements. A whole new timetable was constructed with an inner core focused upon academic lessons and an outer core which included wider curricular pursuits, ensuring an immersive and comprehensive educational experience, including ongoing pastoral provision. The VHC maintained and indeed enhanced the Dragon's reputation for providing an enriching and stimulating experience for our pupils. Headmaster's assemblies and Historic Lives podcasts, live streamed Prize Giving events and Leavers' Services, music lessons, PE, sports activities and challenges all kept our school community connected, including those in different time zones, during this period of lockdown. This enhanced digital accessibility also connected parents, ODs (Old Dragons) and prospective parents to the school as they were seeing the Dragon "in action".

Professional Excellence

The successful delivery of the Dragon's VHC was only possible as a result of the exceptional commitment and professionalism of our staff. Our teachers, expertly supported by our IT staff, worked tirelessly to develop new techniques and to ensure that our pupils continued to receive the highest standards of education. Working remotely meant the traditional classroom could no longer be an area of reassuring familiarity for our teachers, and instead their personal spaces at home needed to be adapted to become their classrooms. Many teachers had to adjust to having parents present in their classes on some occasions whilst supporting children at home, as well as, in many cases, juggling the care of their family responsibilities. Although many of our support staff were furloughed, we retained a cadre of support personnel to ensure that the business, infrastructure and estate aspects of the School were all ready for its reopening. When our staff and pupils did finally return at the end of the Summer Term, they all benefited from a safe and secure working environment. The Governing Body and School Executive are enormously proud of the way the entire staff body has responded to the challenge.

Community

We are mindful that this has been a particularly challenging period for many of our parents. It is therefore important that we record our profound debt of gratitude to our parents for the way that they supported the School and its efforts through this demanding period. We would like to say a sincere thank you whether it was supporting the learning of their children at home, taking the time to write with offers of support, supporting financially through the prompt payment of fees or supporting those in financial hardship through generously donating to the Dragon's Coronavirus Hardship Fund. The Dragon was also proud to be able to contribute to the wider community through the distribution of PPE, kindly donated by parents and through the manufacture of face-shields for wider distribution using the School's 3-D printer. Furthermore, on behalf of the entire Dragon family we would like to acknowledge the significant efforts and contributions of the many key worker parents in our community, especially those within the health service.

Resilience

Throughout the period of the COVID-19 pandemic, the Dragon has needed to ensure that it is appropriately resilient and able to not only be able to respond to further unexpected shocks, but also to bounce back stronger than ever. In the first instance, it was entirely appropriate to revise the fee structure for the Summer Term in recognition of the different learning offered. The School sought to mitigate the resultant loss in revenue through a series of cost saving initiatives, including the UK Government's Coronavirus Job Retention Scheme. The School also made operational cost savings and in particular all non-essential in-year expenditure was postponed. Finally, the School was able to benefit from a deferral on capital payments against the freehold loan, but of course this will need to be repaid in the coming years. Recognising that uncertainty will continue to be a theme as we

start the new academic year, the School has engaged with the Government's Coronavirus Business Interruption Loan Scheme, ensuring that we enter the new year with additional financial resilience.

All these challenges notwithstanding, the Governing Body and Leadership are confident and resolute that the School will emerge from this period stronger than ever. Never has the School's motto of "*Arduus ad Solem*" (Reach for the Sun) been more apposite.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2020:
GOVERNORS, ORGANISATIONAL STRUCTURE, OFFICERS AND ADVISERS

Dragon School Trust Limited ("Dragon School" or "Trust") is a company registered under the Companies Act 2006 and a registered charity. It is a company limited by guarantee; the liability of members of the company is limited to £1 each. The Governors of Dragon School are trustees of the charity, and directors and members of the company. Those serving during the year are as follows:

M Breen	A R	
G P Candy	G P °	
S Chambers	S	(retired 30 Nov 2019)
A C Cowley	G*	(retired 6 Jun 2020
J C Edmondson	G* P	
F Esiri		(appointed 7 Mar 2020, resigned 15 Apr 2020)
N L Helliwell	A	
C I M Jones	B G P R + °	(acting chairman until 30 November 2019)
S J Kerr-Dineen	A °	
E G King	R + °	
Prof Dame A R McLean	A B IT	
N Millard	Sa	
N D Portwood	°	
Lady Stringer	G P °	(retired 6 Jun 2020)
Sir W G Touche Bt.	G P + °	(retired 30 Nov 2019)
C J Underwood OBE	S	
W A Webb	B G T IT P R °	Chairman (appointed 30 Nov 2019)
G H Wilson	G P R T °	

Subsequent to the year end, G H Wilson retired on 28 November 2020, Dr M Letts OBE was appointed on 18 November 2020 and C Alexander was appointed on 14 January 2021. In addition, the Governing Body is very sad to report that E G King passed away on 24 December 2020.

Committee memberships and other groups (as at the end of year):

A	Academic Committee
B	Bursaries Committee
G	General Purposes Committee
P	Property Working Group
R	Nominations and Remuneration Committee
S	Social Responsibility Committee
Sa	Safeguarding Children
IT	IT Steering Group
T	Dragon School Trading Ltd
+	Old Dragon
*	Current parent
°	Former parent

Board and committees

The Board of Governors is a self-appointing body. Governors hold office for six years, whereupon they may be reappointed. Governors normally retire at the age of 70. There may be no more than 20 and no fewer than seven Governors. All committees and groups report to the main Board. The Board and other committees and groups routinely meet three times a year and at other times as necessary.

The Academic Committee is the forum for academic discussion in which Governors and staff participate equally.

The Bursaries Committee proposes policy to the Governing Body and considers all applications for means tested awards and grants.

The General Purposes Committee (GPC) has particular responsibility for the School's finances and financial strategy, but also considers risk, health & safety and compliance matters.

The Nominations and Remuneration Committee is tasked with reviewing the membership of the Governing Body, recommending new Governors for GB approval, and for reviewing the performance and remuneration of Headmaster and Bursar, reporting via the Chairman to the Board of Governors.

The Safeguarding Children Committee ensures Board-level review and responsibility for safeguarding children; other members are senior pastoral staff.

The Social Responsibility Committee oversees the development and implementation of the School's charitable, social, economic and environmental policies. The activities of this Committee are currently paused while its remit is reviewed.

Other steering groups are appointed and meet as necessary, including the Property Working Group & the IT Steering Group.

Advisors

The Trust appoints professional advisors to deal with specialist matters from time to time. All contracts are subject to periodic review as circumstances merit.

Architects:	Berman Guedes Stretton	Oxford
	MEB Design	Oxford
Auditors:	Haysmacintyre LLP	London
Bankers:	Barclays Bank	Oxford
	Coutts & Co	London
Insurance brokers:	Marsh Brokers	Haywards Heath, West Sussex
Pension advisors:	Succession Wealth	Aylesbury, Buckinghamshire
Solicitors:	Freeths	Oxford
	Blake Morgan	Oxford
	Browne Jacobson	London
	VealeWasboroughVizards	London
Surveyors:	Sidleys	Oxford
	McBains Cooper	Oxford

Registered office and address for correspondence:

Dragon School
Bardwell Road
Oxford
OX2 6SS

Web-site: www.dragonschool.org
e-mail contact: bursar@dragonschool.org

The Headmaster is Dr C Hyde-Dunn.

The Company Secretary and Bursar is M R Johnson.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2020:
GOVERNORS' REPORT

The Governors present their annual report and audited accounts for the year ended 31 August 2020 in compliance with current statutory requirements for companies and charities and the company's Memorandum and Articles of Association. This report, together with the preceding pages, incorporates the information required for the directors' report and strategic report under the Companies Act. Comparative figures in the accounts are for the year ended 31 August 2019.

REFERENCE AND ADMINISTRATIVE INFORMATION

Dragon School was founded in 1877. It was incorporated in 1953 as a company limited by guarantee and registered at Companies House, number 524331. It is registered with the Charity Commission under charity number 309676. The Governors, principal executive officers and advisers, together with contact details for the School, are given on pages i to iii.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Dragon School is governed by its Memorandum and Articles of Association dating from 1953 and last amended in November 2008.

Governing Body

Overall responsibility for Dragon School rests with the Governors, who are listed on page i together with information regarding their tenure and committee membership.

Recruitment and training of Governors

New Governors are appointed at a meeting of the Board on the basis of recommendations made by the Nomination and Remuneration Committee. Recommendations are made following an interview process with members of the NRC and on the basis of the requirements of the Board in terms of skills and expertise.

New Governors receive an introduction and induction led by the Bursar on behalf of the Chair of Governors. This covers a range of information including general governance matters, together with more detailed discussions of strategic priorities and finances. Further opportunities to attend appropriate seminars and training events are offered when they occur.

Organisation and management

The Governors, as the trustees of the Charity, are legally responsible for the overall management and control of the School. The Board of Governors meets at least once a term, receiving reports from committees which meet with similar frequency.

The day to day running of the School is delegated to the Headmaster and Bursar, supported by the Senior Leadership Team and staff. Generally the Headmaster and Bursar attend all Governors' and

Committee meetings, except those of the Nominations and Remuneration Committee and when restricted business is discussed.

Key Management

Key Management Personnel are defined as the Head, Bursar, Head of Pre-Prep and the Deputy Heads.

Remuneration

Remuneration is set by the Governing Body with the overall objective of ensuring appropriate recognition and incentive to encourage exceptional performance. Remuneration must be fair and responsible, and the appropriateness of the School's remuneration is reviewed periodically; this includes benchmarking with other schools in both independent and maintained sectors. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to develop and grow.

Group structure and relationships

Dragon School has a wholly owned trading company, Dragon School Trading Limited (company number 1379919), which is used to generate income for the School through the hire of facilities, the sale of Dragon-related souvenirs and second-hand clothing. All residual profits are paid to the Trust under gift aid.

Dragon School has a relationship with two other charities, 'The Lynam Educational Fund' (274993), whose objects include assistance with school fees in cases of need, and 'The Dragon Christmas Charity Sale' (1106073), which raises money for charities helping children and families. The School provides support in the form of staff time to these charities, but as the School does not control these charities, their activities and financial results are not included within these reports and accounts, except to the extent that they have donated to the School.

The School actively supports the independent schools' sector, and contributes to the furtherance of educational standards and the quality of pastoral care, through participation in and subscription to umbrella organisations such as IAPS and BSA and through exam setting and curriculum review processes. The School has also developed links with a number of schools and charities overseas both through regular contacts and as opportunity and need arise.

The School continues to promote the use of its facilities at a discounted rate or, where appropriate, gratis. This includes the use of playing fields, astro-pitches, Lynam Hall and music facilities by local schools and other community groups and charities, and in particular those involved in educational or child-related activities.

CHARITABLE OBJECTS, AIMS AND OBJECTIVES

Charitable objects

Dragon School's charitable objects are set out in the Memorandum and Articles of Association. The primary object is to advance the education of the public by acquiring and carrying on any school or schools for the education of children and young adults and by ancillary or incidental educational activities and other associated activities for the benefit of the community. In pursuit of these objects the School operates the Dragon Prep School at Bardwell Road for boys and girls from 8 to 13 years old and the School's Pre-Prep, Dragon Pre-Prep, on a separate site. Dragon Pre-Prep takes boys and girls from the age of 4.

In setting the School's objectives, and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit as updated in September 2013. The School's commitment to providing financial support to pupils whose parents could not otherwise afford to consider a Dragon education predates the 2006 Charities Act and subsequent guidance from the Charities Commission. The pursuit of wider access to the School is held to be of benefit to all Dragon pupils. To support with these goals, the School manages a number of restricted funds to be used in connection with the development of the School's facilities, and the provision of bursaries, prizes and other educational purposes.

Aims

The Dragon intends to provide a wide-ranging educational experience for all children, stretching all to the best of their respective abilities in academic, artistic, sporting, cultural and social activities. Although excellence is achieved by pupils in many fields, particularly academic, the School is most proud of its liberal ethos, the inclusivity of its educational provision and its pastoral care for all. In addition, the School aims to play a full and effective part in its local community.

Objectives for the year

The Dragon's primary objective this year was to continue to provide the best possible education and care for each and every pupil, ensuring that those leaving for other schools achieve the places desired. In addition, the School has sought to widen access and increase its social impact.

Strategies used to achieve the year's objectives

The School continues formal self-reviews of all areas of operation so as to improve methods and procedures, particularly of teaching and pastoral care, but additionally in the process of monitoring and assessing its own procedures. Specialist external reviews are also sought when deemed valuable. Specific coaching was provided to leavers tailored to the schools of their choice, and the pupils' abilities, to ensure their applications were successful.

The school monitors several key performance indicators throughout the year to assess performance against objectives, including, but not limited to, monitoring success in reaching first choice school, average set size, number of extra-curricular music and drama lessons taken, academic and other awards achieved and results achieved at CE, including number of high performing results.

IN-YEAR ACHIEVEMENTS

Dealing with the Covid-19 pandemic

The COVID-19 global pandemic has inevitably had an impact upon Dragon School and its wider community during the academic year 2019/2020. Faced with the challenge of lockdown, the Virtual Holistic Curriculum (VHC) was launched successfully in April 2020, incorporating through remote learning, the key elements normally provided on site, including live teaching which embraced academics, academic enrichment, creative subjects, learning support, sport, pastoral support, and whole-school Assemblies.

The Dragon was able to invest in an IT roll-out programme that became a critical enabler in the new way of working that was to follow. Specifically, all staff were issued with leading-edge mobile IT devices, and the School's IT infrastructure underwent a significant upgrade to build resilience and introduce new-levels of security.

The successful delivery of the Dragon's VHC was only possible as a result of the exceptional commitment and professionalism of our staff.

In response to the impact that the pandemic had on the Dragon's provision, the School's Governing Body decided to revise the fee structure for the Summer Term in recognition of the fact that the learning was going to be different. The resultant loss in revenue was partially mitigated by a limited use of the UK Government's furlough scheme, the deferral of some operational spending and capital repayments on an existing loan and borrowing through the UK Government's Coronavirus Business Interruption Loan scheme. Whilst the loans will need to be repaid, this allowed the School to enter the new School year with financial resilience.

POLICIES

Grant making

The School is particularly sensitive about the costs associated with delivering first class education, and seeks to extend its facilities as far as possible to those who might not otherwise be able to afford such an education. In particular it continues to carry out specific fund-raising to enable means-tested bursaries to be awarded, in appropriate circumstances, which cover all or nearly all of the fees. Currently the School provides up to 25 bursary places at up to 100% grant under its '125th anniversary' scheme. Other awards are made with respect to short-term hardship arising from significant life-changes.

In general, grants are made from the bursaries, general and other specific funds to provide financial help with the fees. Where significant financial help may be required, the Bursaries Committee considers all circumstances involved in a grant application. This might include, where appropriate, means testing, interviews and home visits, with a view to making grants as fairly and as effectively as possible. All grants are made subject to annual review.

Risk management and key risks

The Governors are responsible for ensuring the management of the risks faced by the Dragon. This is delegated to the General Purposes Committee, who review regularly a summary of the primary risks thought most likely to materialise or have the greatest effect, together with the action taken to mitigate those risks.

Risk mitigating controls

The highest priority is placed on appropriate controls and processes to mitigate risks. Strict adherence to safer recruiting protocols, staff training, and a climate of open communication are fundamental to mitigating safeguarding risks in our School. Operational finance risks are mitigated through in-house oversight and checking. More broadly, risks associated with The Dragon's borrowings of greater than 1-year are mitigated through appropriate hedging financial instruments. Considered financial planning, together with comprehensive management accounting, reporting and budgetary control, ensures the School maintains adequate reserves. Robust governance, strong policies, and effective communication (both internal and external) underpin the School's overall risk mitigation strategy. Internal monitoring of the School's compliance is led by the Compliance Officer on behalf of the Bursar and Headmaster.

Reserves

The Governors review the restricted and designated reserves regularly. The specific objects of restricted funds are as follows:

a) The Endowment fund represents amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997. The reserve stood at £3k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other bursaries. The reserve stood at £394k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources. The

reserve stood at £57k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named bursaries; the costs of bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources. Additional fee concessions and support are provided from the general fund. The reserve stood at £967k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the School's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes. The reserve stood at £377k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

f) The 'Capital fund' represents unspent donations raised for building projects – primarily the Music School. Amounts spent on the specific buildings are transferred from the Capital fund to the general fund in the year the expenditure is incurred. The reserve stood at £2,130k at the end of the year. No aim for holding the fund is required as it is used when appropriate opportunities arise.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments in government stocks and cash deposits are held against the future liabilities. The reserve stood at zero at the end of the year as the aim is for the assets to match the liabilities.

None of the restricted funds are limited by their objects as to the expenditure of capital except the Endowed Bursaries and Endowment funds. All surpluses together with borrowings, eg bank loans, are reinvested to improve the School's resources.

At the year end the School had unrestricted reserves in the General Fund of £28,290k, mainly represented by land and buildings, which have been financed by the School's accumulated surpluses and supplemented by bank borrowings. In the absence of free reserves, working capital and cash flow are monitored closely. The Governors' policy is to continue building up reserves out of operating surpluses, subject to the requirements for further capital expenditure. The School's working capital is considered to be sufficient to meet its liabilities as they fall due.

Investment

The Trust's investment powers are governed by its Memorandum and Articles of Association. These permit funds to be invested in such investments, securities or property as may be thought fit.

Prepaid fees funds are invested at the School's discretion in cash deposits or Government stocks so as to match individual schemes' requirements.

Miscellaneous investments represent gifts received of sundry investments. These are held with a view to realising maximum capital value within the short-term foreseeable future and then sold.

Disabled applicants and staff

The School makes inclusion a thread which runs through all its activities. Dragon School seeks to engage with the widest possible range of knowledge, skill and experience in all its activities. The School's policies, therefore, facilitate the employment of disabled people and the provision where appropriate of training and career development. Were an employee to become disabled whilst in service, every effort would be made to retain them.

Communication with staff

Governors place considerable importance on informing all staff of financial and other matters that affect them, consulting with them where appropriate. The Headmaster and Bursar report the outcome of Governors' meetings to staff through the School's formal management structure. All other such matters are briefed to staff as they arise through regular staff meetings.

Staff are encouraged to discuss matters of concern within the staff meetings and any feedback is discussed with the Deputy Heads, Headmaster, Bursar and Governors as appropriate. This can then influence school policy in a number of areas.

Relationship with parents and pupils

Dragon School considers its relationship with its parents and pupils to be of the utmost importance. The School prides itself on its open and transparent communication with its parents and pupils and never has this been more important than during the pandemic.

Dragon School issues regular bulletins on a weekly and termly basis and utilises social media to communicate with agility. Parents are encouraged to approach the School as required to ensure effective two communication.

Fundraising

In 2020, the charity undertook fundraising activity with its supporters via direct mail, fundraising events and email in line with the Fundraising Code of Practice set by Fundraising Regulator.

When you support you can be sure of the following:

- We will never sell your contact details to anyone;
- We will only contact you if you have expressed an interest in our work;
- If we phone you, we will always check you are happy to take the call;
- If you ask us to change how we communicate with you, or stop, we will respect that;
- We do not engage in cold-calling, door to door or street fundraising;
- We try hard to ensure no one ever feels pressurised to support our work;
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice;
- All our activities are open, fair, honest and legal.

The charity did not work with any fundraising partners in the academic year 2020.

The charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. We did not receive any complaints about fundraising in 2020.

Dealing with suppliers

Dragon School prides itself on working collaboratively with its suppliers, both large and small.

In such an unusual year, this was particularly apparent as contracts have been varied to suit the change in demand and we have dealt proactively with suppliers to ensure the changes and issues caused by the pandemic are minimised. The School has introduced a system to monitor supplier payment terms.

Carbon Reporting

As part of our new reporting requirements, the School has reviewed its greenhouse gas emissions and energy use data to compile a report to meet the SECR reporting requirements. the overall consumption of fossil fuels, direct and indirect, can be summarised as equivalent to production of an amount of carbon dioxide ('CO2e'), measured in tonnes. To do so we have used HM Government's environmental reporting guidelines, the GHG Reporting Protocol and HM Government's 2020 conversion factors for company reporting, and then expressed the tCO2e per pupil.

The table below summarises the energy use relating to electricity, gas combustion and transport.

Electricity use	1,002,597 kWh
Gas Combustion	3,229,433 kWh
Transport	39,658 kWh
Total	4,271,688 kWh

The greenhouse gas emissions associated with the energy use identified in the table above are as follows:

Electricity use	233.8 tCO2e
Gas Combustion	593.8 tCO2e
Transport	9.54 tCO2e
Total	837.0 tCO2e

The School consumed an average of 1.04 tCO2e/pupil (based on 804 pupils).

STRATEGIC REPORT

The School provided education to its pupils in accordance with its stated aims and motto *arduus ad solem*. Demand for places continues to be high, in large part due to the recognised high standards achieved by the School. During the year the School had (on average) 804 pupils in total between the Prep school and Dragon Pre-Prep. Of the total pupils, 480 were boys and 324 were girls.

The School was inspected by the Independent Schools Inspectorate (ISI) in November 2014 and was graded Exceptional for the quality of the pupils' achievements and learning, and Excellent in each of the other eight aspects of the School's work (all judgements being the highest possible descriptors). The four aspects of the quality of the boarding education inspected were also all judged to be Excellent. More recently in April 2019, the School was subject to a Regulatory Compliance inspection by the ISI and was assessed as compliant in every respect. The full text of both inspection reports can be found here:

https://www.isi.net/reports/?name=Dragon%20School

The extensive music provision of around 750 music lessons and some 60 music groups took place on site for the first part of the year and then as part of our online delivery for the latter part of the year. Our numbers show a healthy cross-section across all the orchestral instruments due to the dynamic and engaging teaching of our instrumental staff.

Our ensembles similarly had to adapt to online delivery. We were able to run a virtual Piano Festival and numerous videoed concert performances from our choirs, strings, guitars and wind groups. The summer term was topped off in suitable style with a specially written song 'Reach for the Sun' which was performed by children, parents, staff and VMTs and there were even a few celebrity Dragons featured too.

Despite the complications caused the Covid-19 pandemic, 100 children were still able to take their exams with 27 taking Grade 5 or above; our pupils achieved a 100% pass rate.

Musical outreach events have been understandably curtailed in recent weeks but prior to lockdown we were still able to run our annual Dragon Phil Wind Day (in association with Oxford Philharmonic) with a number of local primary schools and other local schools, promoting a shared experience of music making for all. A new outreach initiative this year has included taking a Gamelan Orchestra into local schools to enable Dragon pupils and other primary pupils to participate together. Our Dragon School Choir took part in an epic charity concert in Summertown in the Easter term in which they comprised the grand finale of an epic 3 hour concert involving many of our local schools, both prep and senior. Our Idris Choir featured prominently in our online end of year celebrations.

In Games, too, the School's vision of making sport accessible to everyone was embraced enthusiastically by Dragons themselves with our aim being that every child has the chance to

represent the School in each major termly sport. There are a variety of other sports available for the children to participate in all year round with a breadth of activities on offer through our clubs' programme in addition to the curriculum sport.

Whilst the Covid-19 pandemic understandably had an impact on our ability to hold sports matches, on any one match day there can be over 30 different teams representing the School, with our more senior sides playing competitive matches on arguably the most competitive Prep-School circuit around. Furthermore, a number of Dragons earn representative honours at district, county and regional level in an increasing number of sports, realising the School's twin aims of promoting both participation and excellence.

Due to the highly unusual end of year caused by the Covid-19 pandemic, our A Block pupils took their Common Entrance exams at home and sent them to school for marking. 87% of our pupils achieved A&B Grades at Common Entrance – although comparisons to previous years is understandably difficult due to the change in exam conditions; additionally, D&E Grades fell to below 2%. Our leavers gained 55 awards to their senior schools, including 16 academic Scholarships or Exhibitions. We continue with our programme of Dragon 'Learning Habits' of Diligence, Resilience, Ambition, Collaboration and Organisation - spelling out the word 'draco', the Latin word for 'dragon'! We pride ourselves on our consistent marking scheme, as well as tracking pupil work completion and learning. We continue to run standardised testing for pupil spelling and reading each term, as well as targeted spelling and reading interventions for our children who need literacy support.

The School's Social and Environmental Impact programme, is guided, under instructive facilitation, by the pupils themselves. Each pupil can cast a vote for the charitable sectors the School will support. Both veins of thinking are increasingly blended into normal curriculum subjects, as well as functioning as specific projects in the Activities and Clubs programmes. Each year group usually organises one major charity event, or challenge, each year with all pupils in the year group engaged. In a normal year, these would include A Block pupils (Year 8) being invited to lead their own specific fundraising challenge and B block pupils (Year 7) being given £5 to turn into fundraising projects. Pupils are invited to participate in fundraising for, and the distribution of funds raised by, the Dragon Sale, which is the largest annual Dragon Community fundraising event.

The School continues to take important steps to improve its infrastructure. Its main capital expenditure during the year was on developing the IT infrastructure, particularly relating to the virtual education delivery and continuing progress with designing the Music School project.

Operational performance – Key Performance Indicators

- 99% of leaving children passed to their school of choice.
- 87% of Common Entrance papers were graded A or B (although note that papers couldn't be taken in the usual school conditions due to the Covid-19 pandemic)

- 55 academic, music, art, sporting and all-round awards were made to Dragon pupils by their secondary schools.
- Fee income was £16,901k (Although note that this was artificially depressed by the pandemic-based fee reductions applied for the Summer term)
- Donations and legacies were £469k
- Staff costs were £10,490k

Operational performance – Widening Access and Social Impact

a) Bursaries and other grants:

Bursaries are at the heart of the Dragon's public benefit provision. The Dragon reached its target of 25 bursary awards across the School at the start of the 2008/9 academic year and up to a maximum of five new grants per year have been awarded since. Bursary awards (day and boarding) were on average just under 80% of the fees at a cost to the School this year of £277k; a range of other grants including staff, hardship and scholarship totalling a further £665k were awarded between 68 other pupils.

b) Social Impact:

The School believes that as an institution it should give strong support to the wider community. Of equal importance is the conviction that gaining a proper understanding of their social and environmental responsibilities must be a cornerstone of the education of each of its pupils. The School is committed to involving all pupils in such projects.

c) Educational:

The Latin in the Community initiative, whereby Dragon teachers and pupils assist teachers and children from other non-fee-paying schools without this expertise, continues to flourish; surplus equipment is donated to other schools or charities; some members of Dragon staff act as governors on local and IEB boards; other links and ideas are built into the curriculum through visits, demonstrations, lectures and debates.

d) Music, Sport and Arts:

Dragon musicians have played and sung in public at a variety of charities. International visitors have provided sporting as well as musical interaction. In addition, a range of local schools, charities and local groups and clubs continue to use the School's facilities when available. The provision of facilities for these purposes is valued at an approximate £22k (at the normal discounted rates for charitable use).

e) Community:

During the year the staff and its pupils raised funds for other charities through wide-ranging entrepreneurial activity, most of which is pupil led. In addition, the Dragon Christmas Charity Sale distributed funds for various charities from proceeds of the sale held at the end of the Christmas term on the School's premises, run by the parents with the assistance of pupils and staff.

Operational performance – Fundraising

The School raised £469k to further its activities this year. The broad fundraising strategy remains to reach out to the whole Dragon community including Old Dragons, current and past parents focusing on meeting two core needs: the maintenance of bursary funds and supporting the School's capital plans, in particular the Music and Performing Arts Centre. Successful events were held which promoted the Dragon's vision and needs to all these groups.

The School is also the grateful recipient of grants from the Lynam Educational Fund with which it can provide help with fees to parents whose circumstances unexpectedly change, providing continuity of environment and education for children in a period when their home lives may be radically upset and also towards the School's bursaries.

Operational performance – Financial

The Trust's accounts reflect its general success as a school; this underpins the School's ability to service the bank loan which financed the purchase of the freehold.

Any operating surplus generated by the School is invested in the major capital projects needed to keep the School at the forefront of preparatory education, and in the provision of subsidised education for children otherwise unable to attend such a school. Inevitably, the demand for capital investment continues to exceed available resources and in setting the fees the Governors have to balance accessibility and fairness to current parents with the investment requirements of a leading school. The School is increasingly reliant on fundraising for capital projects.

Fee income fell during the year due to the reduced fees set for the Summer Term in response to the impact of the pandemic. During the year £16,901k was generated from fees, 98% of its total income of £17,209k.

The other significant element of income is donations and legacies of £469k.

The greatest part of the Trust's expenditure is on staff costs which at £10,490k represent 63% of expenditure; and of these staff costs, most (£7,868k – 75%) are spent on teaching, with an additional £1,077k (10%) on welfare and pastoral functions.

Finance costs are significant at £614k (4% of total expenditure) payable, mostly as interest on the School's bank loan. Other non-staff costs include direct expenditure on teaching (£1,105k, 7% of total expenditure), premises (£1,277k, 8%) and welfare (£1,454k, 9%). Virtually all these costs, staff, finance and other, which are necessary for the charity to meet its objects, represent semi-fixed overheads.

The School spent £1,063k on fixed assets. This is mainly represented by enabling activity for the planned Music and Performing Arts Centre and a range of ICT upgrades, not least to ensure the

success of the School's VHC. Numerous smaller equipment purchases, some funded by donation, have been made throughout the teaching and boarding areas.

The Trust's balance sheet is dominated by the net book value of its freeholds £41,526k, including, in particular, the main site purchased in January 2007 for £29,733k. In order to finance this purchase, a loan was obtained and this forms the largest part of the liabilities, with the outstanding creditor standing at £11,352k. The Trust holds an interest rate swap derivative to hedge against this long term loan and the fair value of this swap was a liability of £1,690k at the end of the year. In addition, the School took a £3,000k Coronavirus Business Interruption Loan towards the end of the year to ensure financial stability during the period of uncertainty caused by the Global Covid-19 pandemic. The current assets are comprised primarily of cash at £10,516k which offset the creditors due within one year of £3,422k which are chiefly comprised of pupil deposits, amounts owed on the property loan and fees received in advance relating to pupils.

Future plans

The School reviews its strategic framework regularly, and a major review and overhaul of the two existing key documents, comprising of Guiding Principles and Development Strategy, is underway. The key objectives representing the main pillars of School development that were set out in the strategy, as updated for recent developments, are:

Academic Development:

- Maintain a leading position and reputation for innovative and exciting teaching and learning.
- Maximise all children's learning potential by improving thinking skills and proving "value-added".
- Embrace new technologies for children's immediate and future educational benefit.
- Achieve more efficient use of teachers' time and resources.
- Contribute academic and pedagogic resources to the wider community.

Pastoral Development:

- Create structures within the School that assist children, staff and parents to develop clear identities.
- Maximise all opportunities in the School to help provide children with the social skills to develop positive relationships with others.
- Ensure that parents are fully involved in the School's pastoral and welfare initiatives.
- Develop training at all levels to help children, staff and parents develop strategies for understanding and promoting good pastoral care.

ICT Development:

- Provide staff with a more effective and efficient teaching platform at School and at home.
- Ensure a safe and secure ICT environment for the Dragon community.

- Develop the School's cyber-security posture and build resilience into the School's ICT infrastructure.
- To further develop the School's goal of becoming a cloud managed environment.

Social Impact and Public Benefit:

- Widen access further by increasing the expanding the bursary scheme.
- Establish the School as a recognised leader for pupil-led social benefit initiatives.
- Develop the existing initiatives with local schools.
- Reflect sustainable development through policy and practice at all levels.

Facilities Development:

- Build a new Music and Performing Arts Centre to service the growing musical and performing arts needs and aspirations of the Dragon community.
- Provide residential accommodation to allow the School to recruit and retain the best possible staff.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report 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 Trust and its subsidiary ('the group'), and of the result of the group for that year.

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 Trust and subsidiary's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and subsidiary and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- there is no relevant audit information of which the group's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors are grateful for the tremendous parental support for the School in achieving all that it does. It is the commitment of parents, the leadership of the Headmaster, the effort put into caring for the pupils by the staff, and the energy of those pupils, and the dedicated work of the support staff in all their fields of expertise, which make the School what it is today and enables it to face the future with confidence.

This Governors' Report, which incorporates the Strategic Report, was approved by the Governors and signed on their behalf by:



Andrew Webb, Chairman 27 February 2021

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2020:
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DRAGON SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Dragon School Trust Limited for the year ended 31 August 2020 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 August 2020 and of its movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Respective responsibilities of governors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Annual report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

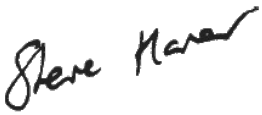
In the light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report (which incorporates the strategic report and the directors' report).

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 Governors' remuneration specified by law are not made; or
  we have not received all the information and explanations we require for our audit

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.



Steven Harper, Senior Statutory Auditor,
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

Date: 25 March 2021

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2020:
GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2020	*Total funds 2019*
		£'000	£'000	£'000	*£'000*	*£'000*
INCOME FROM:						
Charitable activities						
School fees	2.	16,901	-	-	16,901	*18,419*
Other educational	3.	36	-	-	36	*34*
Other ancillary trading	4.	3	-	-	3	*18*
Other trading activities						
Non-ancillary trading		13	-	-	13	*201*
Investments						
Investment income	5.	4	9	-	13	*14*
Bank and other interest	6.	42	-	-	42	*45*
Voluntary sources						
Donations and legacies	7.	-	469	-	469	*588*
Government grants		210	-	-	210	*-*
Total income		17,209	478	-	17,687	*19,319*
EXPENDITURE ON:						
Raising funds						
Fundraising for voluntary resources		206	-	-	206	*169*
Trading		10	-	-	10	*118*
Other		93	-	-	93	*54*
Total costs of raising funds		309	-	-	309	*341*
Charitable activities						
Schools and grantmaking		15,290	322	-	15,612	*15,871*
Schools - financing costs	9.	614	-	-	614	*684*
Total costs of charitable activities		15,904	322	-	16,226	*16,555*
Total expenditure	8.	16,213	322	-	16,535	*16,896*
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		996	156	-	1,152	*2,423*
Investment gains/(losses)		(10)	(32)	-	(42)	*(12)*
NET INCOME		986	123	-	1,110	*2,411*
Fair Value gains	18c.	527	-	-	527	*96*
Transfers between funds	26.	331	(331)	-	-	*-*
NET MOVEMENT IN FUNDS		1,844	(207)	-	1,637	*2,507*
Fund balances at 1 September 2019		26,780	3,738	397	30,915	*28,408*
FUND BALANCES AT 31 AUGUST 2020		28,624	3,531	397	32,552	*30,915*

All activities are continuing. No separate income and expenditure account as required under the Companies Act 2006 has been presented, as there are no differences between that and the Statement of Financial Activities presented above. The notes on pages 7 to 25 form part of these accounts.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2020:
GROUP AND CHARITY BALANCE SHEETS

	Note	**Group**		Charity	
		2020	***2019***	2020	*2019*
		£'000	***£'000***	£'000	*£'000*
Fixed assets					
Tangible assets	12.	**42,444**	***42,129***	42,444	*42,129*
Investments	29.	**-**	***-***	-	*-*
		42,444	***42,129***	42,444	*42,129*
Current assets					
Stock	13.	**6**	***9***	5	*6*
Debtors	14.	**464**	***1,156***	461	*1,070*
Investments	15.	**254**	***296***	254	*296*
Cash at bank and in hand	16.	**10,516**	***7,509***	10,515	*7,509*
		11,240	***8,970***	11,235	*8,881*
Creditors: due within one year	17.	**(3,422)**	***(4,764)***	(3,418)	*(4,696)*
Net current assets		**7,818**	***4,206***	7,817	*4,185*
Total assets less current liabilities		**50,262**	***46,335***	50,261	*46,314*
Creditors: due in more than one year	18.	**(17,710)**	***(15,420)***	(17,710)	*(15,420)*
Total net assets	27.	**32,552**	***30,915***	32,551	*30,894*
Endowment funds		**397**	***397***	397	*397*
Restricted funds		**3,531**	***3,738***	4,112	*3,738*
Unrestricted funds		**28,624**	***26,780***	28,292	*26,759*
Fund balances	26.	**32,552**	***30,915***	32,551	*30,894*

The notes on pages 7 to 24 form part of these accounts.

In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Dragon School Trust Limited. The Trust income for the year was £1,657k (*2019: £2,177k*).

The financial statements were approved and authorised for issue by the Board of Governors
On 27 February 2021 and were signed below on its behalf by



Andrew Webb, Chairman 27 February 2021

Company number: 00524331

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2020:
GROUP STATEMENT OF CASH FLOWS

	Note	2020		*2019*	
		£'000	£'000	*£'000*	*£'000*
Net cash inflow from operations	(a).		3,067		*3,832*
Cash flows from investing activities					
Interest paid		(654)		*(684)*	
Interest received		42		*45*	
Investment income receipts		13		*14*	
Payments for tangible fixed assets		(1,063)		*(102)*	
Net cash used in investing activities			(1,662)		*(727)*
Cash flows from financing activities					
Receipts from prepaid fees scheme		30		*495*	
Payments from prepaid fees scheme		(434)		*(445)*	
Additional borrowing		3,000		-	
Loan repayments		(994)		*(1,421)*	
Net cash used in financing activities			1,602		*(1,371)*
Change in cash and cash equivalents in the reporting period			3,007		*1,734*
Cash and cash equivalents at the beginning of the reporting period			7,509		*5,775*
Cash and cash equivalents at the end of the reporting period			10,516		*7,509*

Charity law requires separate administration of the cashflows of endowed and other restricted funds of the Trust. This constraint has not adversely affected group cashflows as stated above.

a) Reconciliation of net income to cash flow from operating activities	2020 £'000	*2019 £'000*
Net income	1,637	*2,507*
Investment losses/(gains)	42	*12*
Fair value (gains)	(527)	*(97)*
Interest payable	602	*684*
Interest receivable	(42)	*(45)*
Investment income	(13)	*(14)*
Depreciation charges	748	*621*
Decrease/(Increase) in stocks	2	*13*
Decrease/(Increase) in debtors	692	*109*
Increase/(Decrease) in creditors	(74)	*42*
Net cash inflow from operating activities	3,067	*3,832*

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2020:
GROUP STATEMENT OF CASH FLOWS

b) Analysis of cash flows and net debt

	1 Sept 2019	Cashflow	Other movements	31 Aug 2020
	£'000	£'000	£'000	£'000
Cash at bank and in hand	7,509	3,007	-	10,516
Debt: bank loans	(13,857)	(494)	-	(14,351)
Current asset investments	296	-	(42)	254
	(6,052)	2,513	(42)	(3,581)

The notes on pages 7 to 24 form part of these accounts.

1. ACCOUNTING POLICIES

a) General information
The School is a Public Benefit Entity, registered as a charity (charity number: 309676) and company limited by guarantee (company number: 524331). The School's registered office address is: Dragon School, Bardwell Road, Oxford, OX2 6SS.

b) Basis of accounting
The accounts are prepared under the historical cost convention as modified by the revaluation of listed investments, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Second Edition, Effective 1 January 2019.

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 functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates. The balances in the accounts are rounded to the nearest thousand.

c) Consolidation/ group accounts
The Trust has beneficial ownership of 100% of the share capital of Dragon School Trading Limited. The group accounts consolidate the results of this subsidiary, which are summarised in note 29. As the subsidiary pays any surpluses to the parent, the surplus dealt with in the parent company's accounts is identical to that shown on the group income and expenditure account. The Trust's Governors represent the ultimate controllers of the group.

d) Critical accounting judgements and estimates and key sources of estimation uncertainty
In the application of these accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. The Governors consider the following item to be an area subject to estimation and judgement:

Depreciation:
The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Although tangible fixed assets are significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically, no changes have been required.

1. ACCOUNTING POLICIES (continued)

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's accounts.

e) Income – fees and similar income
Income is recognised, in general, only with respect to the period of account and are stated after deducting bursaries, scholarships and other remissions allowed by the School. Fees paid with respect to future terms are carried forward as liabilities; and donations of any sort are included only when resources are irrevocably transferred. School fees include extras. Other Educational Income primarily consists of registration fees and income from the hiring out of some of the school's facilities at certain times during the year. Income from such sources is recognised over the period in which the relevant service is delivered.

f) Income – donations
Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Donations received for the general purposes of the School are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are credited to the relevant Restricted Funds or Endowment Funds.

g) Income – investments
Interest is included on an accruals basis. Dividends from investment funds are included as receivable on the due dates.

h) Expenditure
With respect to resources expended running the school, 'property' includes costs of maintaining the buildings used for educational purposes, while 'welfare' include boarding and catering costs; 'support' represents other costs of servicing the direct teaching function, including governance costs. Irrecoverable VAT is included with the item of expense to which it relates in all cases. Overheads and other costs not directly attributable to a functional activity are apportioned on the basis of management estimates consistently applied.

i) Fund accounting
The School has three types of funds

- Restricted - where the purpose for which the funds may be used has been restricted by donors;
- Endowment - where the capital is held in perpetuity to generate distributable income; and
- Unrestricted - where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted but the Governors have designated them for a specific purpose.

j) Tangible fixed assets
Land and buildings are shown at original cost. Fixtures and fittings are capitalised when they are included in the provision of additional facilities, such as when a building is extended or converted; other fixtures and fittings are charged to revenue in the year of purchase. Equipment costing over £1k is capitalised.

Depreciation is provided on all assets other than freehold land. Freehold buildings are amortised on a straight line basis, taking into account their estimated residual value, which in the case of education-specific buildings is considered negligible but in the case of residential property is expected to approximate their original costs. Leasehold land and buildings are amortised over the period of the lease. With respect to other assets depreciation is provided at straight line on cost.

The estimated lifetimes of various types of assets in use are:

Freehold buildings	50 years

Other	3-10 years

1. ACCOUNTING POLICIES (continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

k) Operating lease rentals
Rentals paid under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

l) Investments
Investments are a form of basic financial instrument and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Gains and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses are calculated as the difference between sale proceeds and opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value of investments at the year-end and their carrying value. Realised and unrealised investment gains and losses are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investment subsidiaries are valued at cost less provision for impairment.

m) Stock
Stock of consumables held at the year-end are valued at cost, subject to their usability. Stock held for resale is valued at the lower of cost and net realisable value. Purchases of educational materials for the next academic year are carried forward as prepayments.

n) Debtors
Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

o) Cash at bank and in hand
Cash at bank and in hand includes cash and deposits with a short term maturity of six months or less from the date of opening the deposit account.

p) Creditors
Creditors are recognised where the School has a present obligation arising 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 reliably. Amounts are recognised at their settlement amount.

q) Property creditor
The long-term property creditor has been discounted to net present value using the Trust's fixed bank borrowing rate. Interest is charged to income and expenditure account at this rate and added to the outstanding credit balance until the date of repayment.

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

1. ACCOUNTING POLICIES (continued)

Financial assets / liabilities held at fair value through the profit or loss comprise derivatives. Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the SoFA as a fair value movement. The School does not currently apply hedge accounting for interest rate swap derivatives.

s) Pension costs

Pension costs represent contributions under the Teachers' Pensions Agency (TPA) teachers' superannuation scheme, various defined contribution schemes and provision against amounts due with respect to specific obligations recognised by the Trust. Both the TPA and the defined contribution schemes' costs are shown in the accounts as charged, the payments being made to external funds.

2. CHARITABLE ACTIVITIES - SCHOOL FEES	2020	*2019*
	£'000	*£'000*
School fees and extras	17,523	*19,202*
less scholarships, bursaries and grants	(943)	*(965)*
	16,580	*18,237*
Bursaries paid from restricted funds	321	*182*
	16,901	*18,419*

3. CHARITABLE ACTIVITIES – OTHER EDUCATIONAL	2020	*2019*
	£'000	*£'000*
Registration fees	36	*34*
	36	*34*

4. CHARITABLE ACTIVITIES – ANCILLARY TRADING	2020	*2019*
	£'000	*£'000*
Commission and similar income	3	*18*
	3	*18*

5. INVESTMENT INCOME	2020	*2019*
	£'000	*£'000*
Listed and other investments	13	*14*
	13	*14*

6. BANK AND OTHER INTEREST	2020	*2019*
	£'000	*£'000*
Bank interest	34	*38*
Other	8	*7*
	42	*45*

7. DONATIONS AND LEGACIES	2020	*2019*
	£'000	*£'000*
Donations for:		
Bursaries	331	*262*
Other	138	*326*
	469	*588*

8a. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs	Depr'n	Other	2020 Total
	£'000	£'000	£'000	£'000
Cost of raising funds				
Fundraising for voluntary resources	147	-	59	206
Trading costs	-	-	10	10
Other costs	-	-	93	93
Total cost of raising funds	147	-	162	309
Charitable activities				
Schools and grantmaking				
Teaching	7,868	38	1,105	9,011
Welfare	1,077	51	1,454	2,582
Premises	285	377	1,277	1,939
Support costs of schooling (including governance – note 8c)	1,113	282	363	1,758
Grants, awards and prizes (note 8b)	-	-	323	323
	10,343	748	4,522	15,613
Schools - financing costs (note 9)	-	-	613	613
Total costs of charitable activities	10,343	748	5,135	16,226
Total expenditure	10,490	748	5,297	16,535

No allocation has been made of senior management time spent on governance matters as such time is additional to full time roles providing support to the School's teaching. Staff costs are further detailed in note 10.

8a. ANALYSIS OF TOTAL EXPENDITURE (cont'd)

Prior year comparative information

	Staff costs	Depr'n	Other	2019 Total
	£'000	£'000	£'000	£'000
Cost of raising funds				
Fundraising for voluntary resources	*107*	-	*62*	*169*
Trading costs	-	-	*118*	*118*
Other costs	-	-	*54*	*54*
Total cost of raising funds	*107*	-	*234*	*341*
Charitable activities				
Schools and grantmaking				
Teaching	*7,720*	*41*	*1,213*	*8,974*
Welfare	*1,357*	*72*	*1,833*	*3,262*
Premises	*281*	*377*	*1,183*	*1,841*
Support costs of schooling (including governance – note 8c)	*884*	*132*	*404*	*1,420*
Grants, awards and prizes (note 8b)	-	-	*374*	*374*
	10,242	*622*	*5,007*	*15,871*
Schools - financing costs (note 9)	-	-	*684*	*684*
Total costs of charitable activities	*10,242*	*622*	*5,691*	*16,555*
Total expenditure	*10,349*	*622*	*5,925*	*16,896*

8b. GRANTS, AWARDS AND PRIZES

	2020	*2019*
	£'000	*£'000*
From Restricted Funds:		
Bursaries and other grants and awards	321	*182*
	321	*182*

8c. GOVERNANCE COSTS

	2020	*2019*
	£'000	*£'000*
Auditors' remuneration – audit	23	*23*
Auditors' remuneration – non-audit	2	*7*
Reimbursement of expenses to Governors	1	*2*
Other governance costs	8	*35*
	34	*67*

9. FINANCING COSTS	2020	*2019*
	£'000	*£'000*
Interest payable is due on:		
Bank loans and overdrafts	603	*675*
Discounts allowed on prepaid fees	11	*9*
	614	*684*

Financing costs are included in costs of charitable activities as part of the operation of the School.

10. EMPLOYEES	2020	*2019*
	£'000	*£'000*
Staff costs:		
Wages and salaries	8,260	*8,510*
National Insurance	811	*805*
Pension costs	1,419	*1,015*
Severance pay	-	*19*
	10,490	*10,349*
Severance pay consisted of negotiated exit payments		
The numbers of employees whose remuneration was over £60k fell into the following bands:	No.	*No.*
£60 - £70k	7	*7*
£70 - £80k	5	*5*
£80 - £90k	3	*1*
£100-£110k	1	*2*
£110-£120k	1	*1*
£120-£130k	1	-
These higher paid staff had a mix of defined contribution and defined benefit pension schemes, total cost:	£'000	*£'000*
	241	*152*
Total pension costs were made up of:	£'000	*£'000*
TPA pension contributions	1,219	*837*
Defined contribution schemes	200	*176*
	1,419	*1,013*

The total employment costs of key management personnel, who are considered to consist of the Head, Head of the Pre-prep, the Bursar, the Governors and the Deputy Heads during the year was £790k (*2019: £844k*).

The Governors did not receive any remuneration. The accounts do not estimate the value of their time and expertise in governance and support roles, though this is considerable. Five Governors received travel expenses totalling £1,505 (*2019: five for travel totalling £1,698*).

10. EMPLOYEES (continued)

The average number of employees, based on head count, excluding Governors, was:	2020 No.	*2019* No.
Teaching	213	*197*
Pensioners	6	*7*
Support staff	146	*119*
Development	3	*3*
	368	*326*

11. TAXATION

As a registered charity the Trust does not pay corporation tax on surpluses arising from its charitable activities. The Trust's subsidiary, Dragon School Trading Limited, pays corporation tax on profits, but these are nil for tax purposes after allowing for the payment of profits to the parent company as a charge. The Trust suffers irrecoverable VAT on all purchases other than those made by its subsidiary trading company. Irrecoverable VAT paid to Customs and Excise totalled approximately £577k (*2019: £577k*) during the year.

12. TANGIBLE FIXED ASSETS (group *and* parent company) for own use:

	Freehold property £'000	Motor vehicles £'000	Other £'000	TOTAL £'000
Cost				
at 1 September 2019	48,068	197	5,363	53,628
additions	331	13	719	1,063
disposals	-	-	-	-
at 31 August 2020	48,399	210	6,082	54,691
Depreciation				
at 1 September 2019	6,549	165	4,785	11,499
charge	324	14	410	748
released	-	-	-	-
at 31 August 2020	6,873	179	5,195	12,247
Net book value				
at 1 September 2019	*41,519*	*32*	*578*	*42,129*
at 31 August 2020	41,526	31	887	42,444

The rebuild cost of properties included in freehold was approximately £55,380k at the most recent insurance review (September 2020), though this does not include the value of the land itself. Governors are of the opinion that the current market value of freeholds is considerably in excess of the historical cost shown. With respect to other assets (fixtures, fittings and equipment), these are insured for £6,404k. These values are cited merely for comparison with the historical cost figures shown above. The School does not own any heritage assets.

Virtually all assets held are used for the purposes of the School's operation; some small proportion is used for management and trading, but identification of the amounts involved is not practicable.

13. STOCKS

	Group		Parent company	
	2020	*2019*	2020	*2019*
	£'000	*£'000*	£'000	*£'000*
Goods for resale	1	*3*	-	*-*
Consumables	5	*6*	5	*6*
	6	*9*	5	*6*

14. DEBTORS

	Group		Parent company	
	2020	*2019*	2020	*2019*
	£'000	*£'000*	£'000	*£'000*
Trade debtors	284	*599*	279	*509*
Amount owed by subsidiary	-	*-*	2	*4*
Loans	3	*2*	3	*2*
Prepayments	177	*255*	177	*255*
Accrued income	-	*300*	-	*300*
	464	*1,156*	461	*1,070*

15. INVESTMENTS HELD AS CURRENT ASSETS

	Group and parent company	
	2020	*2019*
Investments are shown at market value:	£'000	*£'000*
Other U.K. listed investments	254	*296*
	254	*296*
Historical cost:	173	*173*
Value of investments:		
brought forward	296	*309*
disposals at value brought forward	-	*-*
acquired	-	*-*
change in unrealised values	(42)	*(13)*
carried forward	254	*296*

Included in the above are M&G Charifund units at £169k, Cazenove Charity Fund £33k and £38k holdings of listed stocks each representing more than 5% of the total investments held.

16. CASH AT BANK AND IN HAND

	Group		Parent company	
	2020	*2019*	2020	*2019*
	£'000	*£'000*	£'000	*£'000*
Cash on deposit	10,512	*7,506*	10,512	*7,506*
Current bank accounts and petty cash	4	*3*	3	*3*
	10,516	*7,509*	10,515	*7,509*

17. CREDITORS: DUE WITHIN ONE YEAR

	Group		Parent company	
	2020	*2019*	2020	*2019*
	£'000	*£'000*	£'000	*£'000*
Bank loans and overdrafts	486	*1,458*	486	*1,458*
Trade creditors	202	*347*	202	*319*
Taxation and social security	372	*372*	372	*341*
Accruals	327	*374*	323	*365*
Deferred income				
- fees received in advance	1,365	*1,368*	1,365	*1,368*
- deposits held	481	*452*	481	*452*
- prepaid fees scheme	189	*393*	189	*393*
Due under finance leases	-	-	-	-
	3,422	*4,764*	3,418	*4,696*

18a. CREDITORS: DUE IN IN MORE THAN ONE YEAR

	Group and parent company	
	2020	*2019*
	£'000	*£'000*
Bank loans	13,865	*10,887*
Deferred income: prepaid fees	210	*399*
Deposits held	1,945	*1,917*
Interest rate swap derivative	1,690	*2,217*
	17,710	*15,420*

18b. ANALYSIS OF LONG TERM CREDITORS

Long term creditors are due in less than five years except as follows:

Bank loans:			
due within one year		486	*1,458*
due between two and five years		9,169	*6,670*
due in more than five years		4,696	*4,187*
		14,352	*12,315*
Deferred income - prepaid fees	19.		
due within one year		189	*393*
due between two and five years		210	*399*
		399	*792*
Deposits held:			
due within one year		481	*452*
due between two and five years		1,543	*1,520*
due in more than five years		402	*397*
		2,426	*2,369*
Interest rate swap derivative			
due in more than five years		1,690	*2,217*

18c. LONG TERM CREDITORS: EXPLANATORY NOTES

£21,000k was borrowed from Coutts & Co to fund the first payment for the freehold of the School's site on 31 January 2007, with the option to draw down a further amount by January 2014 so as to pay the deferred balance due for the purchase of the School's freehold, due by the end of that month. This option was exercised during the 2014 year, a further £6,000k being borrowed from the bank.

This loan is repayable by fixed instalments totalling £2,121k per annum (which amount anticipated the additional draw down). A hedging facility was simultaneously arranged so that in effect interest is fixed at 5.615%. The loan is secured by a fixed and floating charge on the whole of the Trust's property, together with additional specific charges over several freehold properties. The loan outstanding at the year-end (£11,351k) represents less than half of the value of properties used for security. During the year, the capital element of one repayment (£707k) was deferred. The School agreed with the bank that the capital repayments due in September 2020 and January 2021 would also be deferred. These deferred payments will need to be made by the end of the term of the loan.

The Interest Rate Swap Derivative is the mark to market valuation adjustment on the fixed rate hedging facility mentioned above.

During the year, £3,000k was borrowed from Coutts & Co under the UK Government backed Coronavirus Business Interruption Loan scheme. The loan is repayment by instalments over a five year period starting in August 2021. The loan is secured by a fixed and floating charge ocer the property also secured under the existing loan from Coutts & Co mentioned above. The interest rate on the loan at the year end was 3.50% over Coutts Base Rate, currently 3.60%.

19. PREPAID FEES ACCOUNT

	Group and parent company	
	2020	*2019*
	£'000	*£'000*
Balance at the beginning of the year	792	*733*
New contracts	30	*495*
Amounts accrued to contracts as debt-financing costs	11	*11*
Amounts used in payment of fees		
– to the School	(434)	*(445)*
Balance at year end	399	*792*

20. PENSIONS

The majority of the staff participate in one of two pension schemes: the Teachers' Pension Scheme (TPS) run by the Teachers' Pension Agency specifically for teaching staff, and a defined contribution scheme for other staff, formerly with Aviva and from March 2013 with Scottish Widows.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at

31 March 2016 and the Valuation Report, which was published in March 2020, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2020. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2020. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

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

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

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

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The school operates a defined contribution scheme with Scottish Widows. The assets of the scheme are held separately from the Trust in an independently administered fund. The employer contributes up to 12% corresponding to employees' chosen contribution rates.

Included within salary costs are payments to certain former staff members or their spouses whose pension provision prior to the School adopting the Teachers' Pension Scheme was inadequate during their employment. The total amount paid was £22k (*2019: £22k*). The Trust is under no legal obligation to continue with these payments and accordingly the accounts do not include any estimate, actuarial or otherwise, of a possible total future commitment.

21. RELATED PARTIES

Three of the Governors had children at the School during the year, for which they are charged normal fees and extras as agreed in the standard parent-school contract.

In addition to assisting the school in raising funds, Governors themselves make charitable donations to the school from time to time, but there is no requirement to do so. The total charitable contributions in the year from Governors was £10k (*2019: £61k*).

The School also had transactions with its subsidiary company, Dragon School Trading Limited, which are detailed in note 29.

There were no other related parties.

22. CAPITAL COMMITMENTS

The School had no capital commitments (*2019: none*) with respect to building contracts in progress at the year-end. There were no amounts committed but not yet contracted.

23. FINANCE LEASE COMMITMENTS

The School has no future minimum lease commitments under non-cancellable finance leases.

24. OPERATING LEASE COMMITMENTS

The School had total future minimum lease commitments under non-cancellable operating leases as follows:

	Group and parent company	
	2020	*2019*
Land & Buildings	£'000	*£'000*
Due within 1 year	12	*38*

	Group and parent company	
	2020	*2019*
Other	£'000	*£'000*
Due within 1 year	3	*3*

The total operating lease expense recognised in the SoFA for the year is £41k (*2019: £41k*).

25. FUNDS: DETAILED MOVEMENTS

	Balance at 1 Sept 2019	Incoming resources	Outgoing resources	Investment gains/ (losses)	Transfers between funds	Balance at 31 Aug 2020
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	394	-	-	-	-	394
	397	-	-	-	-	397
RESTRICTED FUNDS						
Knatchbull Memorial fund	66	2	(1)	(10)	-	57
Bursaries funds	979	331	(321)	(22)	-	967
Capital fund	2,430	31	-	-	(331)	2,130
Development fund	263	114	-	-	-	377
	3,738	478	(322)	(32)	(331)	3,531
UNRESTRICTED FUNDS						
Prepaid fees	-	-	(11)	-	11	-
General fund	26,759	17,196	(16,192)	517	341	28,621
	26,759	17,196	(16,203)	517	352	28,621
CHARITY total funds	30,894	17,674	(16,525)	485	21	32,549
Non-charity trading funds	21	13	(10)	-	(21)	3
GROUP	30,915	17,687	(16,535)	485	-	32,552

Prior year comparative information	Balance at 1 Sept 2018	Incoming resources	Outgoing resources	Investment gains/ (losses)	Transfers between funds	Balance at 31 Aug 2019
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	394	-	-	-	-	394
	397	-	-	-	-	397
RESTRICTED FUNDS						
Knatchbull Memorial fund	69	2	(1)	(4)	-	66
Bursaries funds	955	266	(237)	(5)	-	979
Capital fund	2,268	162	-	-	-	2,430
Development fund	139	164	(40)	-	-	263
	3,431	594	(278)	(9)	-	3,738
UNRESTRICTED FUNDS						
Prepaid fees	-	1	(11)	-	10	-
General fund	24,568	18,523	(16,489)	93	64	26,759
	24,568	18,524	(16,500)	93	74	26,759
CHARITY total funds	28,396	19,118	(16,778)	84	74	30,894
Non-charity trading funds	12	201	(118)	-	(74)	21
GROUP	28,408	19,319	(16,896)	84	-	30,915

26. FUNDS: NET ASSETS	Fixed Assets	Invest-ments	Other net current assets	Long term liabilities	Total net Assets at 31 Aug 2020
	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	-	394	-	394
	-	-	397	-	397
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	51	6	-	57
Bursaries funds	-	101	866	-	967
Capital fund	-	-	2,130	-	2,130
Development fund	-	-	377	-	377
	-	152	3,379	-	3,531
UNRESTRICTED FUNDS					
Prepaid fees	-	-	210	(210)	-
General fund	42,444	102	3,575	(17,500)	28,621
	42,444	102	3,785	(17,710)	28,621
CHARITY total funds	42,444	254	7,561	(17,710)	32,549
Non-charity trading funds	-	-	3	-	3
GROUP	42,444	254	7,564	(17,710)	32,552

Prior year comparative information	Fixed Assets	Invest-ments	Other net current assets	Long term liabilities	Total net assets at 31 Aug 2019
	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	-	394	-	394
	-	-	397	-	397
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	62	4	-	66
Bursaries funds	-	123	856	-	979
Capital fund	-	-	2,430	-	2,430
Development fund	-	-	263	-	263
	-	185	3,553	-	3,738
UNRESTRICTED FUNDS					
Prepaid fees	-	-	399	(399)	-
General fund	42,219	111	(551)	(15,020)	26,759
	42,219	111	(152)	(15,419)	26,759
CHARITY total funds	42,219	296	3,798	(15,419)	30,894
Non-charity trading funds	-	-	21	-	21
GROUP	42,219	296	3,819	(15,419)	30,915

27. FUNDS: EXPLANATORY NOTES

a) The Endowment fund represent amounts given with a restriction on the disbursement of the capital amount. The income is used for general purposes. The Trust's endowment fund derives from a small group of gifts in about 1997.

b) The Endowed Bursaries fund provides fee support from income arising from donations whose capital expenditure has been restricted by the donors. Otherwise funds are administered as for other bursaries.

c) The Knatchbull Memorial fund provides funding for travel and exploration activities of former pupils ('Old Dragons'). It has specific trustees who review the application of resources.

d) The Bursaries funds are for the provision of fee support for pupils. The funds include donations for named bursaries; the costs of bursary support are deducted from these sums as appropriate. The funds are administered by the Bursaries Committee who review the application of resources.
Additional fee concessions and support are provided from the general fund.

e) The Development fund includes sums raised for specific purposes through the 'annual giving programme', other campaigns and unsolicited gifts. Some of these donations are restricted to specific projects, though most are not. In some cases general donations are received without even apparent restrictions with respect to the school's development programme, but the Trust infers a restriction in these cases on the principle that such donations probably originated from literature soliciting funds for such purpose. The balance carried forward on the fund represents unspent donations for specific purposes.

f) The 'Capital fund' was previously included within the generality of the 'Development fund' but, as it has grown significantly is now shown separately. This represents unspent donations raised for building projects – currently the Music School. Amounts spent on the specific buildings are transferred from the Capital fund to the general fund in the year the expenditure is incurred.

g) The Prepaid Fees fund represents income and expenditure with respect to amounts paid in advance for fees. Investments in government stocks and cash deposits are held against the future liabilities.

28. TRADING SUBSIDIARY

The Trust holds 100 ordinary shares of £1 each, representing 100% of the issued share capital of Dragon School Trading Limited, a company incorporated in England and Wales. The value of the investment as determined by the equity method is £100. These shares are included on the parent company balance sheet as investments held as fixed assets:

	2020	*2019*
	£	*£*
Shares in subsidiary company at cost	100	*100*

The Trust advances working capital as necessary to the trading company to finance its operations. Interest is charged on the amount outstanding from time to time at the same rate as charged by the Trust's bankers.

The Trading company's results for the year, and balance sheet at the year end, from the audited accounts, are summarised below:

	2020	*2019*
	£'000	*£'000*
Turnover	12	*204*
Cost of sales	(7)	*(175)*
Gross profit	5	*29*
Administration expenses	(4)	*(7)*
Profit for the financial year	1	*22*
To be paid to Dragon School Trust Ltd under gift aid	1	*22*
Generated for parent company:		
Surplus above	1	*23*
Management charges from Trust	3	*6*
	4	*29*
Current assets	12	*96*
Intercompany account	(4)	*(4)*
Current liabilities	(7)	*(68)*
Net assets	1	*22*
Called up share capital	-	*-*
General reserves	1	*22*
	1	*22*

29. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND-TYPE

	Note	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2019
		£'000	£'000	£'000	*£'000*
INCOME FROM:					
Charitable activities					
School fees	2.	18,419	-	-	18,419
Other educational	3.	34	-	-	34
Other ancillary trading	4.	18	-	-	18
Other trading activities					
Non-ancillary trading		-	-	-	201
Investments					
Investment income	5.	8	6	-	14
Bank and other interest	6.	45	-	-	45
Voluntary sources					
Donations and legacies	7.	-	588	-	588
Total income		18,725	594	-	19,319
EXPENDITURE ON:					
Raising funds					
Fundraising for voluntary resources		169	-	-	169
Trading		118	-	-	118
Other		54	-	-	54
Total costs of raising funds		341	-	-	341
Charitable activities					
Schools and grantmaking		15,593	278	-	15,871
Schools - financing costs	9.	684	-	-	684
Total costs of charitable activities		16,277	278	-	16,555
Total expenditure	8.	16,618	278	-	16,896
NET INCOME BEFORE INVESTMENT AND FAIR VALUE GAINS AND TRANSFERS		2,107	278	-	2,423
Investment gains (losses)		(3)	16	-	(12)
Fair Value gains (losses)	18c.	96	(9)	-	96
Transfers between funds	26.	-	-	-	-
NET INCOME/MOVEMENT IN FUNDS		2,200	307	-	2,507
Fund balances at 1 September 2017		24,580	3,431	397	28,408
FUND BALANCES AT 31 AUGUST 2019		26,780	3,738	397	30,915