



DRAGON SCHOOL TRUST LIMITED
GROUP ACCOUNTS FOR THE YEAR ENDED
31 AUGUST 2017

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Company number: 524331

Registered charity number: 309676

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DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
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 the Dragon School are trustees of the charity, and directors and members of the company. During the year and since those serving were:

Prof R W Ainsworth	A B R G P S °	Chairman
Dr C L Bradley	°	(resigned 4 March 2017)
Mrs M Breen	A	
G P Candy	G P °	
S Chambers	S	
Mrs A Cowley	G*	
Mrs L J Holmes	R G °	
C I M Jones	B G P R S + °	
K Jones	A	(resigned 22 September 2016)
Sir David Lewis	+ °	(resigned 10 June 2017)
Dr A R McLean	A B I T *	
N Millard	Sa	
N Portwood	*	
G E O Stanford	A +	(resigned 10 June 2017)
Lady Stringer	G P °	
W G Touche	G P + °	
Mrs C Underwood	S	
W A Webb	G T I T °	
T D Wheare	A G R +	(resigned 10 June 2017)
Mrs G H Wilson	G P R T °	

Subsequent to the year end, Mrs S J Kerr-Dineen was appointed as a Governor on 1 September 2017 and N L Helliwell was appointed as a Governor on 2 December 2017.

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

A	Academic Committee		
B	Bursaries Committee	Sa	Safeguarding Children
G	General Purposes Committee	IT	IT Steering Group
P	Property Working Group	T	Dragon School Trading Ltd
R	Nominations and Remuneration Committee	+	Old Dragon
		*	Current parent
S	Social Responsibility Committee	°	Former parent

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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 deals with grant applications, means testing and interviews.

The General Purposes Committee (GPC) has particular responsibility for finance.

The Nominations and Remuneration Committee is tasked with reviewing the membership of the Governing Body and 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 meets termly to guide the development and implementation of the School's charitable, social, economic and environmental policies.

Other steering groups are also appointed as necessary, currently including the Property Working Group, the IT Steering Group and the Marketing Steering Group.

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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	London
Bankers:	Barclays Bank	Oxford
	Coutts & Co	London
Insurance brokers:	Marsh Brokers	Haywards Heath, West Sussex
Pension advisors:	Mathews Comfort & Co	Oxford
	Affinity IFAs	Aylesbury, Oxfordshire
Solicitors:	Freeths	Oxford
	Blake Morgan	Oxford
	Browne Jacobson	London
Surveyors:	Sidleys	Oxford
	McBains Cooper	Oxford

Registered office and address for correspondence:

The 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 (appointed on 1 September 2017). J R Baugh was the Headmaster to that date.

The Company Secretary and Bursar is M R Johnson.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
GOVERNORS' REPORT

The Governors present their annual report and audited accounts for the year ended 31 August 2017 in compliance with current statutory requirements for companies and charities and the company's Memorandum and Articles of Association. This report, together with the three preceding pages, incorporates the information required for the directors' report under the Companies Act. Comparative figures in the accounts are for the year ended 31 August 2016.

REFERENCE AND ADMINISTRATIVE INFORMATION

The 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

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

Governing Body

The Dragon School is run by the Governors, who are listed on page i together with information on page ii about 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. That Committee receives suggestions from Governors, school officers, advisers, and unsolicited requests. After an initial consideration of suitability on the basis of the existing Board's known skills and needs, and confirmation of interest and eligibility, a detailed review of suitability is carried out together with an interview before a recommendation is made to the Board.

New Governors receive a detailed induction on-site from the Chairman, Headmaster and Bursar which is accompanied by extensive documentation. Further information is provided about the Dragon School by specific staff presentations at the start of each Governors' meeting, and general information about schools and charity administration provided through relevant publications. Further opportunities to attend appropriate seminars and training events are offered when they occur.

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GOVERNORS' REPORT (continued)

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

The Head, the Bursar and the Senior Leadership Team, along with the Governors, are the key management personnel.

Remuneration

Remuneration is set by the Governing Body with the policy objective of ensuring appropriate incentives to encourage enhanced performance and in a fair and responsible manner, rewarding for individual contributions to the Company's success. The appropriateness and relevance of the School's remuneration is reviewed periodically, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to be rewarded for excellence. Delivery of the Company's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Group structure and relationships

The 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.

The 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 but which in addition has general charitable objects, 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.

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GOVERNORS' REPORT (continued)

The School continues to support the Blackbird Academy Trust ('the Academy'), which encompasses the Orchard Meadow, Pegasus and Windale Primary Schools in Oxford. This Academy is related to the School to the extent that Dragon Academy Holdings Ltd is a company limited by guarantee with members and directors CIM Jones, IM Caws and Mrs GH Wilson, two of whom are School Governors. These three persons are three of the eleven directors of Blackbird Academy Trust who are, together with Dragon Academy Holdings Ltd ("DAHL"), members of Blackbird Academy Trust. Blackbird Academy Trust is a company limited by guarantee and exempt charity which owns and manages a multi-academy trust authorised by the DfE under the Academies Acts; DAHL is the lead sponsor of this Academy. Other DAHL directors are appointed by Hamilton Trust and Family Links, the other charities involved.

The Dragon School provides academic and educational support to the three primary schools but does not take any part in the direction or management of either DAHL or Blackbird Academy Trust.

The School actively supports the independent schools sector and in particular the furtherance of educational standards and the quality of pastoral care, through participation in and subscription to umbrella organisations such as IAPS, BSA and RNCF and through exam setting and curriculum review processes. As well as its sponsorship of the Academy, the School also supports and maintains strong links with local state schools. Additionally, the School develops and maintains links with a number of schools and charities overseas both through regular contacts and as opportunity and need arise.

The School, as it has done for a number of years, also continues to promote the use of its facilities (eg playing fields, astros, Lynam Hall, music school and IT) by schools and other charities and groups in the community particularly those involved in educational or child-related activities, letting others use its facilities at a discounted rate or, where appropriate for other charities, gratis.

CHARITABLE OBJECTS, AIMS AND OBJECTIVES

Charitable objects

The 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 runs the Dragon School at Bardwell Road for boys and girls from 8 to 13 years old and the School's pre-prep, the Dragon Pre-Prep, on a separate site. Dragon Pre-Prep takes boys and girls from the age of 4. Additionally the School manages a number of restricted funds in connection with the development of the School's facilities, and the provision of bursaries, prizes and other educational purposes.

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GOVERNORS' REPORT (continued)

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.

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 the 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 School'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. Special teaching 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 them. 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

DRAGON SCHOOL TRUST LIMITED
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GOVERNORS' REPORT (continued)

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 or in recognition of academic potential and ability. Where significant financial help may be required, the Bursaries Committee considers all circumstances involved in a grant application, including where appropriate means testing and 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 the management of the risks faced by the Dragon School. They 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. They also undertake annually a formal review of the detailed table of identified risks from which the primary risks are extracted. The detailed table, which in turn represents the summary of a pyramidal structure of risk assessment and reporting carried out throughout the School and its operations, is scrutinised in greater detail by the General Purposes Committee and approved by the Board.

Key risk and mitigating controls

Mitigating against the risk of reduction in revenue, through maintaining strong pupil numbers across the Pre-Prep, and Prep boarding and day cohorts, is key to the long-term viability of the School. The School therefore places strong emphasis on academic excellence, supporting affordability, and preserving its reputation at the forefront of prep school education. The highest priority is placed on controls to mitigate risks associated with safeguarding and security; adhering to safe recruiting protocols and maintaining a rigorous programme of staff training is reinforced through strict policies and a climate of open communication. Fundraising is a key component of the School's development plan; coherent strategies for appeals and campaigns underpin the School's ability to invest in capital projects and the provision of bursaries. 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.

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GOVERNORS' REPORT (continued)

Reserves

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

- 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. 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 £67k 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 £843k 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 £139k 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' 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 – 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 £1,762k 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

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GOVERNORS' REPORT (continued)

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 fund. 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 £22,086k, 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 Trust's investments include Government stocks held with respect to prepaid fees. 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. In order to promote a working environment within which the School can call upon the widest possible range of knowledge, skill and experience, the School's policies 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.

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GOVERNORS' REPORT (continued)

STRATEGIC REPORT

Operational performance – Academic and Pastoral

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) 821 pupils comprising 220 boarders and 383 day children at the Prep school and a further 217 day pupils at Dragon Pre-Prep. Of the total pupils, 495 were boys and 325 were girls.

The School was inspected by the Independent Schools Inspectorate (ISI) in November 2014. No single overarching judgement is made by the ISI but the School 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.

The Inspection Report notes that the "individual needs and abilities of each pupil are supported exceptionally well, so that during their time at the school they discover and develop their interests and talents whilst also becoming mindful of how they may contribute to the wider community. From the EYFS onwards, the pupils' achievement is exceptional because they achieve highly not only in academic areas, but in a very wide range of additional pursuits and social impact projects". The full text can be found here: <http://www.isi.net/schools/6405/>

In other respects, too, this has been another very successful Dragon year. There have been 840 music lessons taking place each week which shows a greater cross-section across all the orchestral instruments due to dynamic and engaging teaching of new instrumental staff.

351 children were entered for exams with 60 taking Grade 5 or above. Musical outreach initiatives with the Blackbird Academy Trust and other local schools have included Dragon Phil String Day (in association with Oxford Philharmonic), a Choral Day where children were able to experience the thrill of singing in an SATB texture, and a Y3 Singing Day hosted by the Dragon, promoting a shared experience of music making for all. Dragon ensembles and choirs performed locally and on tour to great acclaim.

Similarly, major school drama productions and a wide range of informal performances were again supported by almost 170 pupils having weekly LAMDA lessons. Over 90% of pupils taking formal exams achieved Distinction or Merit, six pupils achieved Drama Scholarships to their Senior Schools.

In sport, too, the school's vision of making sport accessible to everyone was embraced enthusiastically by Dragons themselves with virtually every child representing the school in each major termly sport and there are also a variety of other sports available for the children to participate in.

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GOVERNORS' REPORT (continued)

On any one match day we can have up to 28 different teams out playing, with our more senior sides playing competitive matches on arguably the most competitive Prep-School circuit around. Furthermore, a plethora of Dragons made representative appearances in an increasing number of sports, demonstrating the school's twin aims of promoting both participation and excellence.

Pupils' general academic success may be measured by the 65% of Common Entrance papers that were graded 'A' or 'B' by senior schools and 97.5% of Common Entrance candidates passed to their first choice school. Other academic success may be indicated by leavers winning 46 awards to different senior schools, which includes some awards made specifically for music, drama and sport.

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 organises one major charity event, or challenge, each year with all pupils in the year group engaged. These included A Block pupils (12-13 year olds) being invited to lead their own specific fundraising challenge and B block pupils (11-12 year olds) 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.

Following the purchase of the Bardwell Road freehold, the School continues to take important steps to improve its infrastructure. Its main capital expenditure during the year was on updating the serveries in the dining hall and on IT development including: updating the pupil-management system 'DAMS'; replacement of PCs; new tablets; and other IT infrastructure.

Operational performance – Key Performance Indicators

- 97.5% of leaving children passed to their school of choice.
- 65% of Common Entrance papers were graded A or B
- 46 academic, music, art, sporting and all round awards were made to Dragon pupils by their secondary schools.
- Fee income was £17,368k
- Donations were £555k
- Staff costs were £10,865k

Operational performance – Widening Access and Social Impact

a) Bursaries and other grants:

Bursaries are at the heart of the Dragon's public benefit provision. Following wide advertisement, the initial target of 25 bursary awards across the School set nine years ago was reached 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 90% of the fees at a cost to

DRAGON SCHOOL TRUST LIMITED
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the School this year of £396k; a range of other grants including staff, hardship and scholarship totalling a further £488k were awarded between 64 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 on-going collaboration with the Blackbird Academy Trust provided fruitful interaction in both directions. 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 just under £25k for other charities through entrepreneurial activity, cake sales, Red Nose Day, play collections, and similar events, most pupil led. In addition the Dragon Christmas Charity Sale distributed a further £99k 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 £555k to further its activities this year. This took account of a pause in raising funds for its planned Music School project. 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. 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 from the Christmas Sale (£20k, also included above), towards bursaries.

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GOVERNORS' REPORT (continued)

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 fund raising for capital projects.

As pupil numbers are relatively static, expansion not being practicable on the existing sites, fee income is similarly consistent. During the year £17,368k was generated from fees, 95% of its total incoming resources £18,209k.

Other significant elements of incoming resources are donations of £555k and 'other educational income' (analysed in note 3 to the accounts) of £221k.

The greatest part of the Trust's expenditure is on staff costs which at £10,865k represent 62% of resources expended; and of these staff costs, most (£7,815k – 72%) are spent on teaching, with an additional £1,713k (16%) on welfare and pastoral functions.

Finance costs are significant at £781k (4% of total expenditure) payable as interest on the School's bank loan. Other non-staff costs include direct expenditure on teaching (£1,247k, 7% of total resources spent), premises (£1,418k, 8%) and welfare (£1,178k, 7%). 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 £485k on fixed assets. The latter are mainly represented by improvements to the school kitchens and servery and a range of ICT upgrades, in particular the continuing re-write of the School's management system 'DAMS'. Numerous smaller equipment purchases, many 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 £43,016k, 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 £15,132k. 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 £3,177k at the end of the year. The current assets are comprised primarily of cash at £5,268k which offset the creditors due within one year of £4,841k which are chiefly comprised of deposits, amounts owed on the property loan and fees received in advance relating to pupils.

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GOVERNORS' REPORT (continued)

Future plans

The School reviews its strategic framework regularly, and a major review and overhaul is underway. The current framework consists of two key documents: guiding principles and the strategy setting out the major strands of development out to 2020. 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.
- Assist the Blackbird Academy to raise aspirations of children in its schools.
- Contribute to the Academy's Improvement Plan.
- 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.
- Enable the School to better deploy and utilise staff effort.
- Allow all members of the School to benefit from ICT resources.
- Create a climate of curiosity and creativity.
- Facilitate academic and non-academic administrative efficiency.

Social Impact and Public Benefit:

- Widen access further by increasing the existing 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.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
GOVERNORS' REPORT (continued)

Facilities Development:

- Build a new Music School to service the growing musical needs and aspirations of the Dragon community.
- Provide 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.

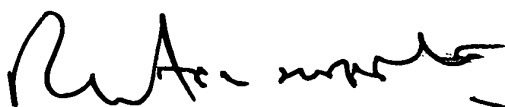
So far as each of the Governors is aware at the time the report is approved:

- 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.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
GOVERNORS' REPORT (continued)

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:



Professor R. Ainsworth, Chairman

3 MARCH 2018

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
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 2017 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 2017 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.

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.

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,

**DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DRAGON SCHOOL TRUST LIMITED**

(continued)

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.

**DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DRAGON SCHOOL TRUST LIMITED**

(continued)

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



David Sewell, Senior Statutory Auditor,
For and on behalf of haysmacintyre, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

16/3/2018

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds		Restricted funds	Endowed funds	Total funds	Total funds
		Schools	Trading			2017	2016
		£'000	£'000	£'000	£'000	£'000	£'000
INCOME FROM:							
Charitable activities							
School fees	2.	17,368	-	-	-	17,368	17,527
Other educational	3.	221	-	-	-	221	156
Other ancillary trading	4.	12	-	-	-	12	14
Other trading activities							
Non-ancillary trading		-	31	-	-	31	24
Investments							
Investment income	5.	-	-	14	1	15	11
Bank and other interest	6.	7	-	-	-	7	27
Voluntary sources							
Donations	7.	74	-	481	-	555	502
Total income		17,682	31	495	1	18,209	18,261
EXPENDITURE ON:							
Raising funds							
Fundraising for voluntary resources		205	-	-	-	205	225
Trading		-	13	-	-	13	9
Other		115	-	-	-	115	351
Total costs of raising funds		320	13	-	-	333	585
Charitable activities							
Schools and grantmaking		15,780	8	565	-	16,353	15,826
Schools - financing costs	9.	781	-	-	-	781	879
Total costs of charitable activities		16,561	8	565	-	17,134	16,705
Total expenditure	8.	16,881	21	565	-	17,467	17,290
NET INCOME BEFORE INVESTMENT AND FAIR VALUE GAINS AND TRANSFERS							
		801	10	(70)	1	742	971
Investment gains (losses)							
		4	-	12	-	16	20
Fair Value gains (losses)							
	18c	989	-	-	-	989	(647)
Transfers between funds							
	26.	10	(10)	-	-	-	-
NET INCOME/MOVEMENT IN FUNDS		1,804	-	(58)	1	1,747	344
Fund balances at 1 September 2016		20,282	-	2,869	396	23,547	23,203
FUND BALANCES AT 31 AUGUST 2017		22,086	-	2,811	397	25,294	23,547

All activities are continuing.

The notes on pages 7 to 23 form part of these accounts. In particular, notes 26 to 28 provide additional detail about specific funds.

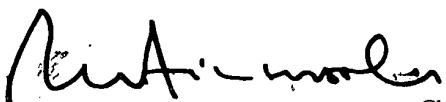
DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
GROUP AND CHARITY BALANCE SHEETS

Registered company number: 524331

	Note	Group		Charity	
		2017	2016	2017	2016
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12.	43,016	43,314	43,016	43,314
Investments		-	-	-	-
		<u>43,016</u>	<u>43,314</u>	<u>43,016</u>	<u>43,314</u>
Current assets					
Stock	13.	27	27	23	21
Debtors	14.	722	702	718	698
Investments	15.	353	295	353	295
Cash at bank and in hand	16.	5,268	5,290	5,264	5,289
		<u>6,370</u>	<u>6,314</u>	<u>6,358</u>	<u>6,303</u>
Creditors: due within one year	17.	<u>(4,841)</u>	<u>(4,497)</u>	<u>(4,829)</u>	<u>(4,486)</u>
Net current assets		<u>1,529</u>	<u>1,817</u>	<u>1,529</u>	<u>1,817</u>
Total assets less current liabilities		44,545	45,131	44,545	45,131
Creditors: due in more than one year	18.	<u>(19,251)</u>	<u>(21,584)</u>	<u>(19,251)</u>	<u>(21,584)</u>
Total net assets	27.	<u>25,294</u>	<u>23,547</u>	<u>25,294</u>	<u>23,547</u>
Endowment funds		397	396	397	396
Restricted funds		2,811	2,869	2,811	2,869
Unrestricted funds: general		22,086	20,282	22,086	20,282
Fund balances	26.	<u>25,294</u>	<u>23,547</u>	<u>25,294</u>	<u>23,547</u>

The notes on pages 7 to 23 form part of these accounts.

The financial statements were approved and authorised for issue by the Board of Governors
on **3 MARCH** 2018 and were signed below on its behalf by


Professor R Ainsworth Chairman of Governors

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
GROUP STATEMENT OF CASH FLOWS

	Note	2017	2016
		£'000	£'000
Net cash inflow from operations	(a).	2,679	2,983
Cash flows from investing activities			
Acquisition of investments		(57)	(38)
Proceeds from redemption of investments		15	67
Interest paid		(869)	(887)
Interest received		-	18
Investment income receipts		-	37
Proceeds from sale of fixed assets		-	-
Payments for tangible fixed assets		(485)	(572)
Net cash used in investing activities		(1,396)	(1,375)
Cash flows from financing activities			
Receipts from prepaid fees scheme		500	397
Payments from prepaid fees scheme		(495)	(522)
Loan repayments		(1,310)	(1,233)
Net cash used in financing activities		(1,305)	(1,358)
Change in cash and cash equivalents in the reporting period		(22)	250
Cash and cash equivalents at the beginning of the reporting period		5,290	5,040
Cash and cash equivalents at the end of the reporting period		5,268	5,290

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	2017	2016
flow from operating activities	£'000	£'000
Net income	1,747	344
Investment (gains) losses	(16)	(20)
Fair value (gains) losses	(989)	647
Interest payable	781	879
Interest receivable	(7)	(27)
Depreciation charges	783	833
(Increase)/Decrease in stocks	-	(6)
Decrease/(increase) in debtors	(20)	(91)
(Decrease)/increase in creditors	400	424
Loss/(surplus) on disposal of fixed assets	-	-
Net cash inflow from operating activities	2,679	2,983

The notes on pages 7 to 23 form part of these accounts.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
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) - effective 1 January 2015.

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.

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.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
NOTES

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

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
NOTES

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.

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
NOTES

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	2017	2016
	£'000	£'000
School fees and extras	17,856	17,962
less scholarships, bursaries and grants	(884)	(862)
	<u>16,972</u>	<u>17,100</u>
Bursaries paid from restricted funds	396	427
	<u>17,368</u>	<u>17,527</u>
3. CHARITABLE ACTIVITIES - OTHER EDUCATIONAL	2017	2016
	£'000	£'000
Courses, conference, lectures	180	117
Registration fees	41	39
	<u>221</u>	<u>156</u>
4. CHARITABLE ACTIVITIES - ANCILLARY TRADING	2017	2016
	£'000	£'000
Commission and similar income	2	5
Other	10	9
	<u>12</u>	<u>14</u>
5. INVESTMENT INCOME	2017	2016
	£'000	£'000
Listed and other investments	15	11
	<u>15</u>	<u>11</u>
6. BANK AND OTHER INTEREST	2017	2016
	£'000	£'000
Bank interest	7	27
	<u>7</u>	<u>27</u>

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
NOTES

7. DONATIONS	2017 £'000	2016 £'000
Donations for:		
Bursaries	427	248
Other	128	254
	<u>555</u>	<u>502</u>

8a. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £'000	Depr'n £'000	Other £'000	Total 2017 £'000	Total 2016 £'000
Cost of raising funds					
Fundraising for voluntary resources	129	-	76	205	225
Trading costs	-	-	13	13	9
Other costs	-	-	115	115	351
Total cost of raising funds	<u>129</u>	<u>-</u>	<u>204</u>	<u>333</u>	<u>585</u>
Charitable activities					
Schools and grantmaking					
Teaching	7,815	96	1,214	9,125	9,119
Welfare	1,713	93	1,178	2,984	2,766
Premises	303	376	1,418	2,097	1,920
Support costs of schooling (including governance – note 8c)	905	218	626	1,749	1,592
Grants, awards and prizes (note 8b)	-	-	398	398	429
	<u>10,736</u>	<u>783</u>	<u>4,834</u>	<u>16,353</u>	<u>15,826</u>
Schools - financing costs†	-	-	781	781	879
Total costs of charitable activities	<u>10,736</u>	<u>783</u>	<u>5,615</u>	<u>17,134</u>	<u>16,705</u>
Total expenditure	<u>10,865</u>	<u>783</u>	<u>5,819</u>	<u>17,467</u>	<u>17,290</u>

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.

8b. GRANTS, AWARDS AND PRIZES

	2016 £'000	2015 £'000
From Restricted Funds:		
Bursaries and other grants and awards	398	250
From Unrestricted Funds:		
Bursaries and other grants and awards	-	179
	<u>398</u>	<u>429</u>

DRAGON SCHOOL TRUST LIMITED
ANNUAL REPORT AND ACCOUNTS 2017:
NOTES

8c. GOVERNANCE COSTS

	2017 £'000	2016 £'000
Auditors' remuneration – audit	16	15
Auditors' remuneration – non-audit	7	12
Reimbursement of expenses to Governors	3	3
Other governance costs	32	30
	<u>58</u>	<u>60</u>

9. FINANCING COSTS

	2017 £'000	2016 £'000
Interest payable is due on:		
Bank loans and overdrafts	770	862
Discounts allowed on prepaid fees	11	17
	<u>781</u>	<u>879</u>

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

10. EMPLOYEES

	2017 £'000	2016 £'000
Staff costs:		
Wages and salaries	8,943	8,726
National Insurance	831	740
Pension costs	1,062	1,087
Severance pay	29	-
	<u>10,865</u>	<u>10,553</u>

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	5	4
£70 - £80k	3	2
£90 - £100k	1	-
£100-£110k	-	1
£180-£190k	1	1

These higher paid staff had a mix of defined contribution and defined benefit pension schemes, total cost:

	£'000	£'000
	<u>91</u>	<u>86</u>
Total pension costs were made up of:	£'000	£'000
TPA pension contributions	862	835
Defined contribution schemes	200	252
	<u>1,062</u>	<u>1,087</u>

The total employment costs of key management personnel, who are considered to consist of the Head, the Bursar, the Governors and the Senior Management Team during the year was £669k (2016: £680k).

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 £1,954; (2016: six travel, totalling £3,474).

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11. EMPLOYEES (continued)

The average number of employees, based on head count, excluding Governors, was:	2017 No.	2016 No.
Teaching	213	232
Pensioners	7	10
Support staff	129	121
Development	5	4
	<u>354</u>	<u>367</u>

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 £565k (2016: £564k) 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 2015	48,068	169	5,263	53,500
additions	-	6	479	485
disposals	-	-	(720)	(720)
at 31 August 2016	<u>48,068</u>	<u>175</u>	<u>5,022</u>	<u>53,265</u>
Depreciation				
at 1 September 2015	5,558	156	4,472	10,186
charge	332	7	444	783
released	-	-	(720)	(720)
at 31 August 2016	<u>5,890</u>	<u>163</u>	<u>4,196</u>	<u>10,249</u>
Net book value				
at 1 September 2016	<u>42,510</u>	<u>13</u>	<u>791</u>	<u>43,314</u>
at 31 August 2017	<u>42,178</u>	<u>12</u>	<u>826</u>	<u>43,016</u>

The rebuild cost of properties included in freehold was approximately £36,575k at the most recent insurance review (September 2017), though this does not include the value of the land itself. Governors are of the opinion that the current market value of freeholds is considerable in excess of the historical cost shown. With respect to other assets (fixtures, fittings and equipment), these are insured for £2,307k. 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.

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13. STOCKS

	Group		Parent company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Goods for resale	4	6	-	-
Consumables	23	21	23	21
	<u>27</u>	<u>27</u>	<u>23</u>	<u>21</u>

14. DEBTORS

	Group		Parent company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade debtors	320	360	312	357
Amount owed by subsidiary	-	-	5	-
Loans	4	11	4	11
Prepayments	320	125	319	124
Accrued income	78	206	78	206
	<u>722</u>	<u>702</u>	<u>718</u>	<u>698</u>

15. INVESTMENTS HELD AS CURRENT ASSETS

	Group and parent company	
	2017	2016
	£'000	£'000
Investments are shown at market value:		
U.K. Government stocks	-	15
Other U.K. listed investments	353	280
	<u>353</u>	<u>295</u>
Historical cost:	230	193
Value of investments:		
brought forward	295	304
disposals at value brought forward	(15)	(67)
acquired	57	38
change in unrealised values	16	20
carried forward	<u>353</u>	<u>295</u>

Included in the above are M&G Charifund units at £218k, Schroder Charity Equity Fund £46k and £70k holdings of listed stocks each representing more than 5% of the total investments held.

16. CASH AT BANK AND IN HAND

	Group		Parent company	
	2017	2016	2016	2015
	£'000	£'000	£'000	£'000
Cash on deposit	5,261	5,260	5,262	5,260
Current bank accounts and petty cash	7	30	2	29
	<u>5,268</u>	<u>5,290</u>	<u>5,264</u>	<u>5,289</u>

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17. CREDITORS: DUE WITHIN ONE YEAR

	Group		Parent company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	1,292	1,226	1,290	1,225
Trade creditors	381	436	381	434
Taxation and social security	331	369	330	368
Amount owed to subsidiary	-	-	-	-
Accruals	697	435	688	428
Deferred income				
- fees received in advance	1,357	1,338	1,357	1,338
- deposits held	355	355	355	355
- prepaid fees scheme	428	329	428	329
Due under finance leases	-	9	-	9
	4,841	4,497	4,829	4,486

18a. CREDITORS: DUE IN MORE THAN ONE YEAR

	Group and parent company	
	2017	2016
	£'000	£'000
Bank loans	13,840	15,214
Deferred income: prepaid fees	471	553
Deposits held	1,763	1,651
Interest rate swap derivative	3,177	4,166
Lease creditors	-	-
	19,251	21,584

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

Deferred income - prepaid fees

 due within one year
 due between two and five years

Deposits held:

 due within one year
 due between two and five years
 due in more than five years

Interest rate swap derivative

 due in more than five years

19.

1,290	1,226
5,942	5,621
7,898	9,593
15,130	16,440
428	329
471	553
899	882
355	355
1,397	1,179
366	472
2,118	2,006
3,177	4,166

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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 (£15,130k) represents less than half of the value of properties used for security.

The Interest Rate Swap Derivative is the mark to market valuation adjustment on the fixed rate hedging facility mentioned above.

19. PREPAID FEES ACCOUNT

	Group and parent company	
	2017 £'000	2016 £'000
Balance at 01 September 2016	882	989
New contracts	500	397
Amounts accrued to contracts as debt-financing costs	12	17
Amounts used in payment of fees		
– to the School	(449)	(452)
– to other schools	(46)	(69)
Balance at 31 August 2017	899	882

20. FINANCIAL INSTRUMENTS

	Group		Parent company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Financial assets measured at amortised cost (a)	392	577	399	574
Total financial assets	392	577	399	574
Financial liabilities measured at fair value (b)	(3,177)	(4,166)	(3,177)	(4,166)
Financial liabilities measured at amortised cost (c)	(16,208)	(17,319)	(16,199)	(17,310)
Total financial liabilities	(19,385)	(21,485)	(19,376)	(21,476)

(a) Financial assets include trade and fee debtors, staff loans, other debtors, accrued income and amounts due from subsidiaries.

(b) Financial liabilities held at fair value include an interest rate swap in place against the property loan. Details of the swap and the associated borrowing are given in note 18c.

(c) Financial liabilities include bank loans, trade creditors, other creditor, accruals, finance lease creditors and amounts due to subsidiaries.

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21. 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 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. 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 following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, it deferred the implementation of this increase to 1 September 2015.

The Department of Education has also devolved the scheme administration costs to scheme employers in the form of an administration charge 0.08% of the employers' salary costs which has resulted in a total employer payment rate of 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the recent actuarial valuation which was at 31 March 2017. This valuation also determined the opening balance of the cost cap fund and provides an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The School arranged with Scottish Widows to replace the Aviva scheme mid-year in 2013 on the same basis and rates, in preparation for auto-enrolment, which Aviva would not support. It is a defined contribution scheme. 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 (2016: £35k). 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.

22. RELATED PARTIES

Two 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 £2,540 (2016: £2,540).

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23. CAPITAL COMMITMENTS

The School had no capital commitments (2016: £58k) with respect to building contracts in progress at the year-end. There were no amounts committed but not yet contracted.

24. FINANCE LEASE COMMITMENTS

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

	Group and parent company	
	2017 £'000	2016 £'000
Other		
Due within 1 year	-	9
Due 1-5 years	-	-

The total net book value of assets held under finance lease is £nil (2016: £9k) for other assets.

The leases were for office equipment and terms of the leases varied between 3 and 5 years.

25. OPERATING LEASE COMMITMENTS

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

	Group and parent company	
	2017 £'000	2016 £'000
Land & Buildings		
Due within 1 year	37	36
Due 1-5 years	73	108

	Group and parent company	
	2017 £'000	2016 £'000
Other		
Due within 1 year	4	8
Due 1-5 years	6	7

The total operating lease expense recognised in the SoFA for the year is £41k (2016: £45k).

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26. FUNDS: DETAILED MOVEMENTS

	Balance at 1 Sept 2016 £'000	Incoming resources £'000	Outgoing resources £'000	Investment gains/ (losses) £'000	Transfers between funds £'000	Balance at 31 Aug 2017 £'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	393	1	-	-	-	394
	<u>396</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397</u>
RESTRICTED FUNDS						
Knatchbull Memorial fund	65	1	(3)	4	-	67
Bursaries funds	799	431	(395)	8	-	843
Capital fund	1,852	(90)	-	-	-	1,762
Development fund	153	153	(167)	-	-	139
	<u>2,869</u>	<u>495</u>	<u>(565)</u>	<u>12</u>	<u>-</u>	<u>2,811</u>
UNRESTRICTED FUNDS						
DESIGNATED						
Prepaid fees	-	3	(11)	(1)	9	-
General fund	20,282	17,679	(16,870)	994	1	22,086
	<u>20,282</u>	<u>17,682</u>	<u>(16,881)</u>	<u>993</u>	<u>10</u>	<u>22,136</u>
CHARITY total funds	<u>23,547</u>	<u>18,178</u>	<u>(17,446)</u>	<u>1,005</u>	<u>10</u>	<u>25,294</u>
Non-charity trading funds	-	31	(21)	-	(10)	-
GROUP	<u>23,547</u>	<u>18,209</u>	<u>(17,467)</u>	<u>1,005</u>	<u>-</u>	<u>25,294</u>

	Balance at 1 Sept 2015 £'000	Incoming resources £'000	Outgoing resources £'000	Investment gains/ (losses) £'000	Transfers between funds £'000	Balance at 31 Aug 2016 £'000
ENDOWMENT FUND	3	-	-	-	-	3
ENDOWED BURSARIES FUND	392	1	-	-	-	393
	<u>395</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>396</u>
RESTRICTED FUNDS						
Knatchbull Memorial fund	61	2	(1)	3	-	65
Bursaries funds	760	258	(427)	9	199	799
Capital fund	1,951	219	(300)	-	(18)	1,852
Development fund	148	42	(37)	-	-	153
	<u>2,920</u>	<u>521</u>	<u>(765)</u>	<u>12</u>	<u>181</u>	<u>2,869</u>
UNRESTRICTED FUNDS						
DESIGNATED						
Prepaid fees	-	6	(17)	(2)	13	-
General fund	19,888	17,709	(16,495)	(637)	(183)	20,282
	<u>19,888</u>	<u>17,715</u>	<u>(16,512)</u>	<u>(639)</u>	<u>(170)</u>	<u>20,282</u>
CHARITY total funds	<u>23,203</u>	<u>18,237</u>	<u>(17,277)</u>	<u>(627)</u>	<u>11</u>	<u>23,547</u>
Non-charity trading funds	-	24	(13)	-	(11)	-
GROUP	<u>23,203</u>	<u>18,261</u>	<u>(17,290)</u>	<u>(627)</u>	<u>-</u>	<u>23,547</u>

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27. FUNDS: NET ASSETS	Fixed Assets £'000	Invest- ments £'000	Other net current assets £'000	Long term liabilities £'000	Total net Assets at 31 Aug 2017 £'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	-	394	-	394
	-	-	397	-	397
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	64	3	-	67
Bursaries funds	-	128	715	-	843
Capital fund	-	-	1,762	-	1,762
Development fund	-	-	139	-	139
	-	192	2,619	-	2,811
UNRESTRICTED FUNDS					
DESIGNATED					
Prepaid fees	-	-	899	(899)	-
General fund	43,016	161	(2,739)	(18,352)	22,086
	43,016	161	(1,840)	(19,251)	22,086
CHARITY total funds	43,016	353	1,176	(19,251)	25,294
Non-charity trading funds	-	-	-	-	-
GROUP	43,016	353	1,176	(19,251)	25,294
	Fixed Assets £'000	Invest- ments £'000	Other net current assets £'000	Long term liabilities £'000	Total net assets at 31 Aug 2016 £'000
ENDOWMENT FUND	-	-	3	-	3
ENDOWED BURSARIES FUND	-	-	393	-	393
	-	-	396	-	396
RESTRICTED FUNDS					
Knatchbull Memorial fund	-	60	5	-	65
Bursaries funds	-	121	678	-	799
Capital fund	-	-	1,852	-	1,852
Development fund	-	-	153	-	153
	-	181	2,688	-	2,869
UNRESTRICTED FUNDS					
DESIGNATED					
Prepaid fees	-	15	538	(553)	-
General fund	43,314	99	(2,100)	(21,031)	20,282
	43,314	114	(1,562)	(21,584)	20,282
CHARITY total funds	43,314	295	1,522	(21,584)	23,547
Non-charity trading funds	-	-	-	-	-
GROUP	43,314	295	1,522	(21,584)	23,547

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28. 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.

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29. 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:

	2017	2016
	£	£
Shares in subsidiary company at cost	<u>100</u>	<u>100</u>

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:

	2017	2016
	£'000	£'000
Turnover	31	24
Cost of sales	<u>(13)</u>	<u>(12)</u>
Gross profit	18	12
Administration expenses	<u>(8)</u>	<u>(7)</u>
Profit for the financial year	<u>10</u>	<u>5</u>
Paid to Dragon School Trust Ltd under gift aid	<u>10</u>	<u>5</u>
Generated for parent company:		
Surplus above	10	5
Management charges from Trust	<u>6</u>	<u>6</u>
	<u>16</u>	<u>11</u>
Current assets	17	11
Intercompany account	-	-
Current liabilities	<u>(17)</u>	<u>(11)</u>
Net assets	<u>-</u>	<u>-</u>
Called up share capital	-	-
General reserves	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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

	Note	Unrestricted funds Schools	Trading	Restricted funds	Endowed funds	Total funds 2016
		£'000	£'000	£'000	£'000	£'000
INCOME FROM						
Charitable activities						
School fees	2.	17,527	-	-	-	17,527
Other educational	3.	156	-	-	-	156
Ancillary trading	4.	14	-	-	-	14
Other trading activities						
Non-ancillary trading		-	24	-	-	24
Investments						
Investment income	5.	-	-	11	-	11
Bank and other interest	6.	18	-	8	1	27
Voluntary sources						
Donations	7.	-	-	502	-	502
Total incoming resources		17,715	24	521	1	18,261
EXPENDITURE ON:						
Raising funds						
Fundraising for voluntary resources		225	-	-	-	225
Trading		-	9	-	-	9
Other		51	-	300	-	351
Total costs of raising funds		276	9	300	-	585
Charitable activities						
Schools and grantmaking		15,394	4	428	-	15,826
Schools - financing costs	9.	879	-	-	-	879
Total costs of charitable activities		16,273	4	428	-	16,705
Total resources expended	8.	16,549	13	728	-	17,290
NET INCOME BEFORE INVESTMENT AND FAIR VALUE GAINS AND TRANSFERS						
Investment gains (losses)		1,166	11	(207)	1	971
Fair value gains (losses)		8	-	12	-	20
Transfers between funds	26.	(647)	-	-	-	(647)
NET INCOME/MOVEMENT IN FUNDS		(133)	(11)	144	-	-
		394	-	(51)	1	344
Fund balances at 1 September 2015		19,888	-	2,920	395	23,203
FUND BALANCES AT 31 AUGUST 2016		20,282	-	2,869	396	23,547