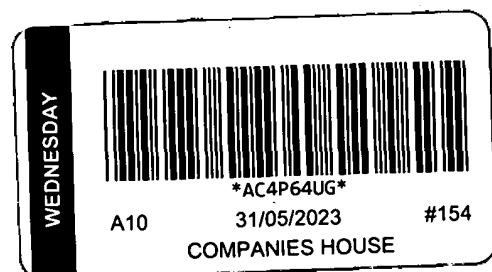


**DURSTON HOUSE SCHOOL  
EDUCATIONAL TRUST LIMITED**  
(Limited by guarantee)

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



Registered Company Number: 1947995  
Registered Charity Number: 294670

**DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2022**

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# **DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

## **GOVERNORS' REPORT**

**YEAR ENDED 31 AUGUST 2022**

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### **REFERENCE AND ADMINISTRATIVE INFORMATION**

#### **GOVERNORS**

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

#### **KEY MANAGEMENT PERSONNEL**

##### **HEADMASTER**

Mr K H G Entwisle

##### **BURSAR AND COMPANY SECRETARY**

Mrs J M Twyford

#### **REGISTERED OFFICE**

12 Castlebar Road  
London W5 2DR

#### **ARCHITECT**

ADP Architecture Ltd  
150 Waterloo Road  
London SE1 8SB

#### **AUDITOR**

Haysmacintyre LLP  
10 Queen Street Place  
London EC4R 1AG

#### **BANK**

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

#### **CHARTERED SURVEYOR**

Gerald Eve  
7 Vere Street  
London W1M 0JB

#### **INSURANCE BROKER**

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

#### **SOLICITOR**

Blandy and Blandy  
1 Friar Street  
Reading  
Berks  
RG1 1DA

## **DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

### **GOVERNORS' REPORT (continued)**

#### **YEAR ENDED 31 AUGUST 2022**

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

#### **GOVERNING DOCUMENTS**

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

#### **AIM**

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

#### **OBJECTIVES**

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

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

#### **Objectives for the Year**

The principal objectives for the year were:

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

#### **ETHOS, STRATEGY AND POLICIES**

##### **Ethos**

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

##### **Strategy**

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

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

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

##### **Access Policy**

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

## **DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

### **GOVERNORS' REPORT (continued)**

**YEAR ENDED 31 AUGUST 2022**

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#### **Bursary policy**

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

#### **Assistance for teaching staff**

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

#### **Community access**

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

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

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

#### **ESTATES DEVELOPMENT**

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

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

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governance**

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

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

##### **Operational Management**

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

## **DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

### **GOVERNORS' REPORT (continued)**

**YEAR ENDED 31 AUGUST 2022**

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#### **Governor Recruitment, Induction and Training**

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

#### **Governors' Interests**

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

#### **Remuneration of Key Management Personnel**

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

### **STRATEGIC REPORT**

#### **Achievements and Performance – Durston House School**

##### **Pupils**

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

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

##### **Bursaries**

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

##### **Staff**

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

##### **Pastoral Care**

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

## **DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

### **GOVERNORS' REPORT (continued)**

**YEAR ENDED 31 AUGUST 2022**

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#### **Co-curricular activities:**

##### **Sport**

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

##### **Music**

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

##### **Drama**

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

##### **Trips and Outings**

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

##### **Environmental Initiatives: Cutting the 'carbon footprint'**

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

##### **Harvington School**

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

##### **Achievement and Performance – Harvington School**

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

##### **Financial Review – Durston House School**

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

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

## **DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

### **GOVERNORS' REPORT (continued)**

#### **YEAR ENDED 31 AUGUST 2022**

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The results for the year show the following:

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

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

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

#### **Financial Review – Harvington School**

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

#### **Reserves Policy**

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

#### **Plans for future periods**

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

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

#### **Principal risks and uncertainties**

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



## DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

### GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2022

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#### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors of Durston House School Educational Trust Limited for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

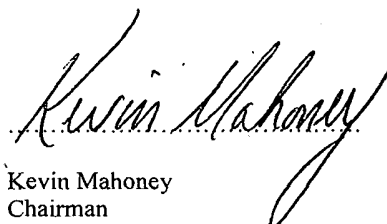
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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



Kevin Mahoney  
Chairman

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

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## **Opinion**

We have audited the financial statements of Durston House School Educational Trust Limited for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **Matters on which we are required to report by exception**

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

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

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

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

### **Responsibilities of trustees for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

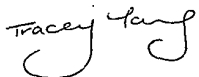
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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**Use of our report**

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



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

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

**Date: 30.5.23**

**DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31 AUGUST 2022**

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

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

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

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

The accompanying notes form part of these financial statements.

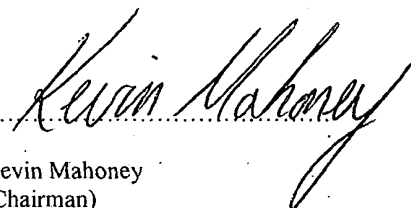
## CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 AUGUST 2022

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

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

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



Kevin Mahoney  
(Chairman)

The accompanying notes form part of these financial statements.

**DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**YEAR ENDED 31 AUGUST 2022**

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

The accompanying notes form part of these financial statements.

# DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

## STATEMENT OF ACCOUNTING POLICIES

YEAR ENDED 31 AUGUST 2022

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

**a) Basis of Accounting**

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

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

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

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

**b) Fees receivable and similar income**

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

**c) Government grant income**

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

**d) Expenditure**

Expenditure is accounted for on an accruals basis.

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

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

**e) Pension costs**

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

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

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



# DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

## STATEMENT OF ACCOUNTING POLICIES (continued)

YEAR ENDED 31 AUGUST 2022

### f) Fixed assets

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

Freehold land	Freehold land is not depreciated.
Freehold buildings	2%
Freehold improvements	10%
Furniture and equipment	20-33½%
Motor vehicles	20%

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

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

### g) Financial Instruments

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

### h) Debtors

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

### i) Cash at bank and in hand

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

### j) Creditors and Provisions

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

### k) Fund accounting

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

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

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

### l) Critical sources of estimation uncertainty and accounting judgements

In the application of the accounting policies, the governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2022**

**1) Transfer of control**

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

**1. CHARITABLE ACTIVITIES**

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

**2. TOTAL EXPENDITURE**

	Staff costs £	Depreciation £	Other costs £	2022 Total £
<b>2022 Charitable activity</b>				
School Operating Costs:				
Teaching costs	3,375,374	-	535,880	3,911,254
Premises and maintenance costs	171,519	418,231	591,555	1,181,305
Support and governance costs	980,340	-	435,731	1,416,071
	<u>4,527,233</u>	<u>418,231</u>	<u>1,563,166</u>	<u>6,508,630</u>
<b>2021 Charitable activity</b>				
School Operating Costs:				
Teaching costs	3,046,575	-	234,250	3,280,825
Premises and maintenance costs	130,436	399,378	421,814	951,628
Support and governance costs	886,106	-	398,310	1,284,416
	<u>4,063,117</u>	<u>399,378</u>	<u>1,054,374</u>	<u>5,516,869</u>

**DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED 31 AUGUST 2022**

**2. TOTAL EXPENDITURE (continued)**

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

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

**3. GOVERNORS' REMUNERATION**

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

**4. EMPLOYEES**

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

Teaching staff numbers includes teachers and teaching assistants.

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

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

**DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED 31 AUGUST 2022**

**4. EMPLOYEES (continued)**

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

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

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

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

**5. TANGIBLE FIXED ASSETS (GROUP)**

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

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

**DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED 31 AUGUST 2022**

**5. TANGIBLE FIXED ASSETS (CHARITY ONLY)**

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

**6. INVESTMENT IN SUBSIDIARY**

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

**7. DEBTORS**

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

**8. CREDITORS**

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

**DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED 31 AUGUST 2022**

**9. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

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

**Charity only**

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

**2022 Bursary Fund (cumulative movements)**

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

**Comparative information**

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

**2021 Bursary Fund (cumulative movements)**

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

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

## DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 2022

#### 10. LIABILITY OF THE MEMBERS

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

#### 11. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

#### 12. PENSION COMMITMENTS

##### Teaching staff - Durston

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

##### Teaching staff - Harvington

Harvington School Educational Trust Limited participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £50,269 and at the year-end £21,850 was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

# DURSTON HOUSE SCHOOL EDUCATIONAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### YEAR ENDED 31 AUGUST 2022

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

#### Non-teaching staff

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

#### 13. MERGER WITH HARVINGTON SCHOOL EDUCATIONAL TRUST LIMITED

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

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

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