

## **Downside School**

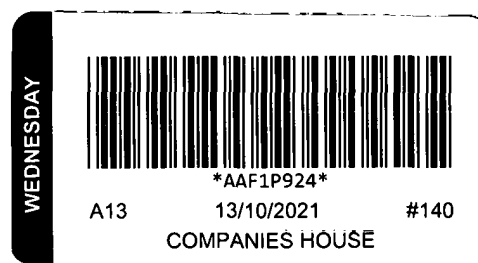
(a company limited by guarantee)

### **Governors' Report & Financial Statements**

**For the period ended 31 January 2020**

**Companies House Registered Number: 11751009**

**Charity Registration Number: 1184700**



**Downside School**  
**Governors' Report and Financial Statements for the period ended 31 January 2020**

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**Downside School****Governors' Report and Financial Statements for the period ended 31 January 2020****Governors' Report****For the period ended 31 January 2020**

The Governors of Downside School present their annual report for period ended 31 January 2020, together with the audited Financial Statements for the period, and confirm that the latter comply with the requirements of the Companies Act 2006, the Company's Articles of Association, the Charities Act 2011, Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the current Statement of Recommended Practice on accounting and reporting by charities: the Charities SORP 2015 (FRS102).

**Governors, Members and Advisors****Principle Address and Registered Office:**

Downside School  
Stratton-on-the-Fosse  
Radstock, Somerset BA3 4RJ

**Governors (also members)**

Adrian J F Aylward – Chairman (appointed 4 Jan 2019  
resigned 1 Apr 2020)

**\$ Member of Education Committee**  
**# Member of General Finance and**  
**Resources Committee**  
**+ Responsibility for Health & Safety**  
**~ Responsible for Safeguarding**

Dr. Robert G G Mercer – Chairman (appointed 20 June 2020).  
Very Rev Dom Nicholas P Wetz \$ (appointed 4 Jan 2019)  
James A Scott-Gatty # (appointed 4 Jan 2019)  
Catherine M Hughes \$ (appointed 4 Jan 2019)  
John M Ludlow #+ (appointed 4 Jan 2019)  
Hugh A H Dickinson \$ (appointed 4 Jan 2019)  
Michael F T Bernard # (appointed 4 Jan 2019)  
Alison C Martin # (appointed 4 Jan 2019, resigned 30 June 2021)  
Teresa J Wilcox \$~ (appointed 22 June 2019)  
Anthony C G Griffin # (appointed 22 June 2019)  
Jessica M T Ogilvy-Stuart \$ (appointed 19 Mar 2019)

**Clerk to the Governors**

Alice Maddalena (appointed 4 Jan 2019, resigned 1 Dec 2020)  
Vanessa Locke (appointed 6 Nov 2020)

**Head**

Andrew Hobbs

**Independent Auditor**

Crowe U.K. LLP  
4<sup>th</sup> Floor, St. James' House  
St. James' Square  
Cheltenham GL50 3PR( UK)

**Solicitors**

Stone King  
13 Queens Square, Bath, BA1 2HJ

**Bankers**

Barclays Bank PLC  
4 Queen Street, Bath, BA1 1HE

## **Downside School**

### **Governors' Report and Financial Statements for the period ended 31 January 2020**

#### **Governors' Report (continued)**

##### **Reference and Administrative Information**

Downside School separated from Downside Abbey General Trust which owned and run Downside School on 4 January 2019 and formed its own Company limited by guarantee, registered number 11751009. The School is also a Charity, registered number 1184700. The Governors, executive officers and principal address of Downside School are listed on page 2, together with the particulars of the Charity's professional advisors.

##### **Structure, Governance and Management**

###### **Governing document**

The Charity is governed by its Memorandum and Articles of Association dating from 2019 on incorporation.

###### **Governing body**

The Memorandum and Articles of Association state that the Directors of the charitable company shall be known as Governors. The Governors who held office during the period are shown on page 2. The structure of the Charity consists of one Governing Body of not more than twelve Governors for Downside School.

##### **Recruitment and Training of Governors and Senior Personnel**

New Governors are appointed by ordinary resolution of the Governors at a General Meeting on the basis of nomination received, and eligibility is subject to personal competence, specialist skills and availability. New Governors are inducted into the working of the Charity and the management of the school, including the policies and procedures, at training meetings organised for them by the Chairman, the Head and the Clerk to the Governors. Governors' training needs are assessed on an individual basis and training is given as appropriate. Recent training included attending an in-house session on Child Protection and Safeguarding. All Governors are required to and have undertaken a Safeguarding on line training course supplied by Educare. Regular guidance notes and information from AGBIS is received by the Clerk and forwarded to all Governors.

Senior personnel are recruited on the basis of national advertisement and selection by Governors and other senior personnel. The Governors' Finance Group consider the remuneration of senior personnel where appropriate at their summer term meeting. Consideration is given to benchmarking, in particular the AGBIS Survey on Heads and Bursars Remuneration, market information and time in their position. Governors will also consider performance against objectives.

##### **Organisational Management**

The Governors are legally responsible for the overall management and control of Downside School and meet, either in person or virtually, at least three times a year. There are two sub-committees, the Education Committee chaired by Catherine Hughes and the General Finance and Resources Committee chaired by James Scott-Gatty. Both committees meet regularly to consider their specific issues prior to presenting their recommendations or proposals to the full Board. The General Finance and Resources Committee is responsible for considering Business Risk throughout the year and reporting on this issue to the full Board during the summer term. The members of each sub-committee are listed on page 2. In addition, there are two Governors with specific responsibilities for Health and Safety and Safeguarding. These are John Ludlow and Terri Wilcox respectively.

## **Downside School**

### **Governors' Report and Financial Statements for the period ended 31 January 2020**

#### **Governors' Report (continued)**

The day to day running of the School is delegated to the Head. He is supported in this by the Senior Leadership Team of Downside School, which is made up of the Director of Operations, the Director of Finance and the Deputy Head. Relevant members of the Leadership Team attend the Governors' sub-committee and full Board meetings.

#### **Governors' indemnities**

As permitted by the Articles of Association, the Governors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial period and remains in force in the current year. The Company also purchased and maintained throughout the financial period Governors' and Officers' liability insurance in respect of itself and its Governors.

#### **Group Structure and Relationships**

Downside School actively supports the attainment of the highest standards in the Independent Schools sector, partly through networking with other major Schools and partly through peer group studies for the evaluation of quality and performance improvement methods. We also cooperate with many local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive at the School. Downside School also benefits from the generosity of past pupils through the St. Gregory's Society and from parents and others through the Downside Association.

The Charity has a wholly owned non-charitable subsidiary, Downside School Enterprise Ltd, which principally operates the shops and the letting of the school during the school holidays. The financial results are included in note 4.

The School maintains a close relationship with Downside Abbey General Trust with whom they share part of the site and some of the site's facilities and resources. Any safeguarding issues are addressed through coded locks and appropriate safeguarding checks.

#### **Objects, Aims, Objectives and Activities**

##### **Charitable Objects**

The School's charitable objects are 1. To advance Roman Catholic education in the Benedictine tradition and the Roman Catholic faith in particular, but without prejudice to the generality of the foregoing, by running a school known as Downside School; 2. To advance education by providing facilities for the education and training of children and young people provided that such provision shall be ancillary or incidental only to the running of a school known as Downside School in accordance with the above; 3. To support the work of the General Trust.

##### **Public Benefit aims and intended impact**

The Trustees have regard to the Charity Commission's guidance on public benefit. To achieve these objects, the public benefit aim is to provide a Catholic and Benedictine education focused on the formation of young people to develop as future leaders for 21st Century society. Downside is uncompromising in the pursuit of academic 'excellence' and also aims to develop the character in its pupils, emphasising the importance of moral courage, integrity and service to others.

The highest standards are aimed for in sport, both in terms of performance and sportsmanship, while our tradition of inspired productions in the arts is second-to-none. The school endeavours, in addition, to provide children with what may be referred to as a sense of 'the poetry of life', a sense of its beauty, form, mystery and joy.

## **Downside School**

### **Governors' Report and Financial Statements for the period ended 31 January 2020**

#### **Governors' Report (continued)**

The School contributes to the Camino Partnership of Catholic Schools in the southern part of the Diocese of Clifton to promote Catholic education. The partnership provides a network of support to fellow schools and share expertise from Chaplaincy and the teaching of RS to Heads and governors. The partnership involves both primary and secondary schools from the maintained and independent sector.

The School regularly hosts events for local primary schools, including modern language days, choral singing days, sporting events and 'Race for the Line' events which involves building rocket cars. Pupils and staff support the learning of Spanish in a local primary school.

Pupils participate in a number of Community service activities, including a soup run in Bath and visiting local homes for the elderly, primary schools and other social institutions. They also raise funds for a number of different charitable organisations, including Mary's Meals, and CAFOD. Pupils take part in an annual overnight sleep out in support of charities supporting the homeless.

The School provides access to facilities and outreach support to Fosse Way School, a maintained special educational needs school.

The School has implemented a number of environmentally conscious waste disposal & recycling schemes, which reflect a commitment to green issues and encourage socially conscious reflection amongst our pupil body.

Our outreach work has seen our expert sports staff coaching, refereeing and umpiring at a number of Prep Schools and also working with local primary schools.

We have forged a strong relationship with Bath Rugby, and host on occasions the Bath Development Player Programme where the School regularly hosts 40-50 boys at U14 and below.

Downside is now the satellite coaching hub for Somerset Cricket Board in the North of the county, seeing hundreds of talented players (girls and boys) visit Downside for training. We also host County Age Group fixtures at junior level.

#### **Objectives for the year**

The Charity's objectives for the year were to prepare for the commencement of its educational offering in September 2019. The separation from Downside Abbey General Trust required new structures to be implemented and facilities resourced. The new vision statement is

**Downside's vision, as a Catholic and Benedictine school with Christ at its centre, is to be a bright light in education and to inspire service in our world.**

The school also reviewed and amended its mission statement to read

**We will renew and strengthen our roots as a Catholic community, building relationships internationally, to become a school, which serves our world through its formation and education of young people, with the resources to meet our charitable objectives sustainably.**

**Governors' Report (continued)**

Under this mission statement lie four key principles that seek to cover all areas of school life:

- We see it as our purpose to awaken and nurture a lifelong commitment to learning and growing (*conversation morum – Rule of St. Benedict*).
- The relationship between the family and the school is one of dedicated and accountable partners.
- We challenge the transactional and utilitarian view of education.
- Specific and measurable outcomes need to be used as important indicators of how well the partnership is working.

The guiding policy for our principles is the parable of the talents which will be our model for gauging performance and the parables of the lost sheep and the prodigal son will provide our pattern for pastoral care.

The key strategies are

- We will invest in building a strong faith based culture that challenges our pupils to make their unique contribution, with the help of all in the Downside community.
- We will establish a programme of staff retreats to underpin the Catholic and Benedictine culture of the School.
- We will embed the RSE programme so that respect will be at the heart of every relationship in our community.
- We will value and celebrate pupil engagement and achievement, recognising the unique contribution of each individual in accordance with their talents
- Working with the wider Downside Community, we will establish a funding stream which provides one fully subsidised place for an academic scholar in each year group by 2026.
- We will ensure that the School is successfully funded to continue its work

**Principal activities of the year**

The Charity commenced its educational offering in September 2019. It principally provides education at Downside to boys and girls from the ages of 11 to 18. In past years when under the ownership of Downside Abbey, it hired its facilities to educational summer schools and provided access to the School's sporting and other facilities to the local community. This will continue in the summer of 2020 and beyond.

The School had no fundraising activities requiring disclosure under S162A of the Charities Act.

## **Downside School**

### **Governors' Report and Financial Statements for the period ended 31 January 2020**

#### **Governors' Report (continued)**

##### **Fee remissions policy**

During the period the value of scholarships, grants, prizes and bursaries made to the School's pupils out of unrestricted funds totalled £1,098,862. Of this, £296,403 (6.8% of fee income) was awarded Scholarships and £802,459 (18.5% of fee income) in bursaries and discounts. All bursaries are means-tested according to the school's policy and criteria. The remainder of the funds cover fees to overseas and British Agents, standardised discounts to members of the armed forces, members of staff and siblings of current pupils. The School does not benefit from any endowments to fund scholarships. The policy of the Governors is to make awards on the basis of the individual's educational, musical, artistic or sporting potential, or to relieve hardship where the pupil's education and further prospects would otherwise be at risk. Details of such awards for fee-assistance, together with the terms and conditions for each kind of award, are available from the Bursary.

Details of the Reserves Policy, plans for future periods and financial risk management are included within the Strategic Report below.

The Governors' Annual Report was approved by the Board of Governors and signed on its behalf by:



Dr. R G G Mercer

Chairman

Date: 30 September 2021



## **Strategic Report**

**For the period ended 31 January 2020**

### **Achievements and Performance**

The School had no fundraising activities requiring disclosure under S162A of the Charities Act.

#### **Whole School**

Pupils of all abilities achieve extremely well academically, with considerable achievement above baseline for all and excellent performance by the most able. The exam results from the Summer of 2019 showed that Downside pupils once again performed exceptionally, which provided a well above average progress score for A level results, putting the School in the top 5% of UK schools for 'adding value'. At GCSE level 49% of the grades achieved were between 9 and 7 (equivalent of A\*/A).

Music and drama are an essential aspect of building confidence and provide pupils with a superb opportunity to work collaboratively. The School musical for the year is 'Our House' and work is progressing well for its performance in February. Many pupils have LAMDA lessons for speech and drama.

Music is central to school life, with a weekly Hymn Practice/School Assembly in the Abbey Church. There are three Chamber Choirs at Downside: a boys' choir, a girls' choir and a mixed choir. They specialise in a cappella performances, sacred and secular, and rehearse weekly. Membership is by invitation. The Chamber Choirs sing Mass on some Sundays and are much in demand for concerts.

Orchestral, band and chamber music also flourish at Downside, with frequent concerts and weekly recitals. The CCF and Pipe Bands are also in demand. The CCF band plays for the annual CCF inspection, and accompanies the Remembrance Day service. Both bands regularly perform at School concerts and parades, as well as at private functions. We also have Jazz, Rock and Concert Bands, a Saxophone Group and a Drum Line, amongst others. The CCF band has led the Remembrance Parade in Bath for a number of years and the Pipe Band plays annually at the Stratton-on-the-Fosse Village Day in September.

In Art, pupils are encouraged to explore as many styles and media as possible. With an Artist-in-Residence, and regular visits to exhibitions, galleries and museums, pupils are provided with lots of inspiration. In Design and Technology pupils combine practical and technological skills with creative thinking to design and make products and systems that meet human needs. They learn to use current technologies and consider the impact of future technological developments. They learn to think creatively and intervene to improve the quality of life, solving problems as individuals and members of a team.

Through Downside's Combined Cadet Force, pupils throughout the School are able to take part in a broad range of challenging, exciting and adventurous activities. All Third Form (aged 13+) pupils are able to experience the full range of CCF activity during the academic year. At the end of the Third Form, pupils can elect to move onto the Royal Navy, or Army, section in their senior years at Downside. One full afternoon per week is allocated to CCF activity, with additional camps, expeditions and training sessions scheduled throughout the year.

A vast range of sporting opportunities are available to pupils and the philosophy held by pupils and staff is to adopt a positive mental attitude and develop an exceptional work ethic. We promote fitness and enjoyment, and aim to develop each pupil's personal best. Pupils are offered a wide range of options including rugby, hockey, football, netball, cross country, cricket, tennis and athletics. Teams are fielded for all age groups.

**Strategic Report (continued)**

**Financial Review**

**Financial statements**

The Charity commenced trading on 11 September 2019. The income for the period January 2019 to January 2020 arises from 5 months of trading as a School and is £3,685,028 with the fee income being £3,322,818. Expenditure at £4,137,027 exceeds income for the first 5 months of trading due to start up costs, particularly on premises and legal costs arising from the separation from Downside Abbey. Governors recognise the issue and acknowledge that the School must control costs in order to recover financially. The principle funding source for the year is the fee income which supported the key objectives of the School in providing education to pupils. The separation from Downside Abbey General Trust happened on 11 September 2019, so a proportion of the school's fee income (11 days of fee income) was repaid to the Trust with the same proportion of staff salaries, food and premises costs reclaimed by the School. In addition, there was significant one-off expenditure on premises due to the separation from Downside Abbey General Trust. These issues affected the financial performance and financial position of the charity during the reporting period.

**Bank Loans**

The Charity has taken over the loan originally taken out by Downside Abbey and is responsible for the capital repayment and interest costs.

**Reserves policy**

The Charity commenced trading on 11 September 2019 with nil reserves. During the first 5 months of trading it has made a loss and therefore there are negative reserves at the period end. The Charities net assets, mainly cash, are sufficient to meet its obligations, however future income is likely to be impacted by COVID-19 and may have a significant effect on working capital. At the end of the year (January 2020), there were no restricted funds and no material amounts designated or otherwise committed. The reserves policy now and in the future is to build up resources by means of annual operating surpluses whilst continuing to invest in resources for current and future pupils.

**Investment policy**

The School holds shares in the Bank of New York (BNY) at a value of £153,613. These are 23% of the shares held by Downside Abbey General Trust and remain in the name of the Trust. The percentage transferred to the school's ownership is stated in the legal Separation Agreement between the Trust and the School. The School also holds 6,000 shares in British Telecom Plc to the value of £90,720. These are also held in the name of Downside Abbey General Trust and stated as transferred to the School under the terms of the Separation Agreement.

**Principal Risks and Uncertainties**

The Governors are responsible for the management of the risks faced by the Charity. Detailed considerations of the risks are delegated to the General Finance and Resources Committee, which is assisted by the Head and the Director of Finance. Risks are identified, assessed and controls are established throughout the year. A formal review of the Charity's Risk Management process is undertaken on an annual basis. The key controls used by the Charity include

- Formal agendas for all Committee and Board activities;
- Detailed terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approved levels; and
- Vetting procedures as required by law for the protection of the vulnerable.

## **Downside School**

### **Governors' Report and Financial Statements for the period ended 31 January 2020**

#### **Strategic Report (continued)**

Through the risk management process established for the Charity, the Governors are satisfied that major risks are identified and appropriately mitigated where necessary.

Principle risks are identified as being:

- Maintaining pupil numbers;
- The bank withdrawing facilities;

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

#### **Financial Risk Management**

The Charity's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The school is exposed to credit risk as its main customers are the parents of pupils. The school is active in discussing payment terms with parents and agreeing payment plans through a third party where required. The school is exposed to liquidity risk but minimises the exposure by actively monitoring the monthly cash flow. Similarly, the school is also exposed to a rise in interest rates which it minimises by ensuring a reasonable contingency amount within the appropriate budget heading. In addition, the Charity has in place a risk management programme that seeks to limit the adverse effect on the financial performance of the Charity. The Charity is not exposed to commodity price risk as a result of its operations. The school has some boarders from European countries and this market may be affected by the recent exit from the European Union.

#### **Going concern**

Downside School commenced trading on the 11 September 2019 following the completion of the split from Downside Abbey General Trust. Since separation the School has entered a period of transition which has impacted upon our trading performance and resulted in a loss for this initial period. This loss is in line with our expectations and is driven principally by the complexities of the separation process and the costs of streamlining processes within the new School. This loss-making period has resulted in a net liability position at 31 January 2020.

The School has prepared detailed forecasts through to August 2024 which reflect the School's strategy to grow pupil numbers and return to profitability and subsequently to a net asset position. The forecasts reflect the impact that the Coronavirus pandemic has had on the School during the subsequent period however forecast a return to profit by the academic ending 31 August 2022.

Pupil numbers fell for the academic year 2020/21 to 315 however have bounced back to 362 for the start of the 2021/22. This substantial growth, together with maintaining a healthy cash reserve, provides the Governors with the necessary comfort that the School continues to be a going concern. The School continues to be able to meet its debts as they fall due through its generation of cash which is a position which is improving as pupil numbers begin to grow.

The School recognises that there are still risks associated with the Coronavirus pandemic, not least the potential impact upon pupil number growth, the impact of being unable to operate a Summer School and the impact on our overseas families being able to visit. The School will continue to monitor these factors closely and ensure that these risks are managed and mitigated as we move forward.

**Strategic Report (continued)**

**Plans for the future**

The School is continuing to formulate strong and robust strategic targets that focus on key areas including academic, pastoral, marketing and admissions, business development and community outreach. The key strategies are outlined under the Objectives for the year. These are being developed and acted on and will be reviewed and revised during the second year of trading.

**Statement of Governors' Responsibilities**

The Trustees (who are also Governors of Downside School for the purposes of company law) are responsible for preparing the Governors' Annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements

comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable 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.

**Connected persons**

Details of transactions with connected persons are shown in note 19 to the financial statements.

**Downside School**

**Governors' Report and Financial Statements for the period ended 31 January 2020**

**Strategic Report (continued)**

**Independent Auditor**

Crowe U.K. LLP have expressed their willingness to continue in office being eligible for re-appointment under the provisions of the Companies Act 2006.

The Governors' Annual Report is approved by the Board of Governors and signed on its behalf by:



Dr. R G G Mercer

Chairman

Date: 30 September 2021

## **Independent Auditor's Report to the Members of Downside School**

### **Opinion**

We have audited the financial statements of Downside School (the "charity") for the period ended 31 January 2020 which comprise Statement of Financial Activities, the Balance Sheet, the 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 charitable company's affairs as at 31 January 2020 and of its incoming resources and application of resources, including its income and expenditure for the period 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

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

## **Downside School**

### **Governors' Report and Financial Statements for the period ended 31 January 2020**

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 our audit

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

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

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

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

## **Downside School**

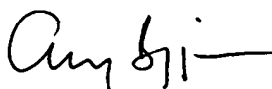
### **Governors' Report and Financial Statements for the period ended 31 January 2020**

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### **Use of our report**

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



Guy Biggin

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

4th Floor, St James House

St James Square

Cheltenham, GL50 3PR, UK

Date: 5 October 2021



## Statement of financial activities For the period ended 31 January 2020

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020
		£	£	£
<b>INCOMING RESOURCES</b>				
<b>Charitable Activities:</b>				
Educational	2	3,322,818	-	3,322,818
<b>Generated Funds:</b>				
Voluntary	3	333,349	-	333,349
<b>Total Incoming Resources</b>		<b>3,656,167</b>	<b>-</b>	<b>3,656,167</b>
<b>RESOURCES EXPENDED</b>				
Raising funds	6	33,701	-	33,701
Charitable activities	6	4,079,784	-	4,090,534
Governance costs	6	23,542	-	12,792
<b>Total Resources Expended</b>	6	<b>4,137,027</b>	<b>-</b>	<b>4,137,027</b>
<b>Net (expenditure) / income from operations</b>		<b>(480,860)</b>	<b>-</b>	<b>(480,860)</b>
Gain on investment	10	28,861	-	28,861
<b>Net (expenditure) / income for the period</b>		<b>(451,999)</b>	<b>-</b>	<b>(451,999)</b>
<b>Net movement in funds</b>		<b>(451,999)</b>	<b>-</b>	<b>(451,999)</b>
Fund balances brought forward		-	-	-
<b>Fund balances carried forward</b>		<b>(451,999)</b>	<b>-</b>	<b>(451,999)</b>

The notes on pages 19 to 29 form part of these financial statements.

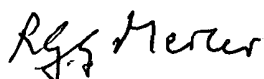
## Balance Sheet

### As at 31 January 2020

	Notes	2020 £	£
<b>Fixed assets</b>			
Tangible assets	9	1,914,541	
Investments	10	244,333	
		<u>2,158,874</u>	
<b>Current assets</b>			
Stock	11	28,460	
Debtors	12	2,780,283	
Cash		1,325,897	
		<u>4,134,640</u>	
<b>Creditors: Amounts falling due within one year</b>	13	(4,173,389)	
<b>Net current assets</b>		<u>(38,749)</u>	
<b>Total assets less current liabilities</b>	14		<b>2,120,125</b>
<b>Creditors: Amounts falling due after one year</b>		<u>(2,572,124)</u>	
<b>Net assets</b>		<u>(451,999)</u>	
<b>The funds of the charity</b>			
Unrestricted income funds			<b>(451,999)</b>
<b>Total charity funds</b>		<u>(451,999)</u>	

The notes on pages 19 to 29 form part of these financial statements.

The financial statements on pages 16 to 29 were approved by the Board of Trustees on 30 September 2021 and signed on its behalf by :



Dr. R G G Mercer

Chairman

Date: 30 September 2021

Downside School is a company limited by Guarantee No. 11751009

## Cash flow statement

### For the period ended 31 January 2020

	Note	2020 £	£
<b>Cash Flows from Operating activities</b>			
Net cash inflow / (outflow) from operations	22	1,325,897	
<b>Cash Flows from Investing activities</b>		1,325,897	
Purchase of fixed assets		-	
<b>Net cash used in Investing Activities</b>		<u>1,325,897</u>	
<b>Cash Flows from Financing activities</b>			
Repayment of borrowings		-	
<b>Net Cash used in Financing Activities</b>		<u>1,325,897</u>	
Cash and cash equivalents at the beginning of the reporting period			<u>-</u>
<b>Change in cash and cash equivalents in the reporting period</b>			<b>1,325,897</b>
Cash and cash equivalents at the end of the reporting period			

## Notes to the Financial Statements

### For the period ended 31 January 2020

#### 1. Accounting Policies

Downside School is a charity, registered number 1184700, is a Public Benefit Entity registered as a charity in England and Wales and is a Company Limited by guarantee. The School was incorporated on the 4 January 2019. These are the first set of accounts prepared under FRS 2012.

The accounting policies of the School, which have been applied consistently throughout the period, are listed below.

##### **Basis of Accounting**

The School's financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom consisting of Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102), the Companies Act 2006 and the current Statement of Recommended Practice on accounting and reporting by charities: the Charities SORP2015 (FRS 102) and the Charities Act 2011.

##### **Group Financial Statements**

Downside School has a wholly owned non-charitable subsidiary, Downside School Enterprise Limited. These financial statements have not been consolidated as the results of Downside School Enterprise Limited are not material to the Group.

##### **Incoming Resources**

Income is recognised in the period in which the School is entitled to receipt and the amount can be measured with reasonable certainty.

Fees receivable and charges for services and use of the premises are accountable for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School. The School offers means tested bursaries and scholarships which carry a monetary value of remission which is deducted from gross fees. Discounts are also offered to siblings of current pupils, military families and pupils whose parents and grandparents previously attended the School.

Donations and any associated income tax reclaimable from the Inland Revenue are recognised on a receivable basis. Donations received for the general purposes of the Charity are credited to unrestricted funds. Donations subject to specific wishes are carried to relevant restricted funds.

Legacies are accounted for as they are received or if, before receipt, it becomes reasonably certain that the legacy will be received and the value of the legacy can be measured with reasonable certainty.

##### **Resources Expended**

Resources expended are accounted for in the period in which they are incurred. The irrecoverable element of VAT is included with the item of expense to which it relates.

Where an item of expenditure falls directly within one cost category it is attributed to that category only. Where expenditure involves more than one category, it is apportioned on a reasonable and justifiable basis.

### **Tangible Assets**

Tangible assets are held on the balance sheet at cost less accumulated depreciation. Cost includes the purchase price of the asset plus all costs incurred in bringing the asset into use. Subsequent expenditure is capitalised where it extends the life or increases the value of the asset.

Tangible fixed assets are depreciated on a straight line basis over the following periods:

Equipment, Fixtures and Fittings	3 – 20 years
Motor vehicles	5 years

### **Listed Investments**

Investments are shown in the balance sheet at market value at the balance sheet date.

Realised and unrealised gains and losses on investment assets are included in the Statement of Financial Activities in the year in which they arise. Investment income is credited to income on an accruals basis.

### **Stock**

Stocks are stated at the lower of cost and net realisable value. They exclude purchases of supplies allocated to the subsequent academic year. Cost represents purchase price on a first in first out basis. Net realisable value is based on estimated selling price.

### **Creditors**

Creditors are recognised where the School has a present obligation which results from a past event that in all probability will result in the transfer of funds to a third party and the amount due to settle the obligation can be reliably measured.

### **Debtors**

Debtors are recognised at the transaction price.

### **Fees received in advance**

The School offers parents the opportunity to pay for up to five years tuition fees in advance in accordance with a written contract. This is treated as deferred income until the pupil joins the School whereupon the fees for each School term are charged against the remaining balance and taken to income. All amounts are included in creditors due within one year as the amounts are repayable on demand if the pupil leaves.

### **Pension Schemes**

The Trust contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Charity. In accordance with FRS 17, therefore the scheme is accounted for as a defined contribution scheme.

The School will exit the Teachers' Pension Scheme effective 31 December 2020 and a new defined contribution scheme with Aviva is provided in its place.

All other pension arrangements are defined contribution schemes where the assets of the schemes are held separately from those of the Charity in an independently administered fund.

In all cases the pension cost charge represents contributions payable by the Trust to the fund.

**Fund accounting**

Unrestricted funds are available for use at the discretion of the Governors in furtherance of the general objectives of the School and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for a specific purpose. The costs of raising and administering funds are charged against the specific fund. The aim of each restricted fund is set out in the notes to the financial statements.

**Critical accounting judgements and estimation uncertainty**

The following are considered to be critical accounting judgements made in applying the School's accounting policies:

The Teachers' Pension Defined Benefits 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 Charity. In accordance with FRS 102, the scheme is accounted for as a defined contribution scheme and contributions are charged to the Statement of Financial Activities when payable.

The following significant estimates and assumptions have been made in applying the School's accounting policies:

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives of assets. Estimated lives are reassessed annually and considered to reflect the remaining life of an asset.

The School makes an estimate of the recoverable value of trade and other debtors. Factors such as the aging profile of the debtors and historical experience are taken into account. Bad debts are considered on a case by case basis by taking into account the likelihood of recovery. Debts are written off by approval of the Governors if this is deemed appropriate.

**Going Concern**

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future.

The Board have sought to understand and mitigate the impact that transitioning from the larger Trust has had as much as possible whilst also navigating the Coronavirus pandemic in the subsequent period. The year 2020/21 has been impacted significantly by the pandemic however as we enter 2021/22 and beyond, the outlook is positive with the School beginning to grow and return a profit.

Cashflow projections and forecasts have been prepared covering at least 12 months which support the continued operations of the Charity. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees responsibilities.

**Downside School****Governors' Report and Financial Statements for the period ended 31 January 2020****2. School Fees**

	2020 £
Gross Fees	4,079,804
Less: Total Scholarships, Bursaries and Fee Assistance	<u>(908,218)</u>
School Fees	<u>3,171,586</u>
Other Educational Charitable Activities:	
Entrance Fees	10,688
Other Fees	<u>140,544</u>
	<u>151,232</u>

**3. Other Income**

	2020 £
Donations and Legacies	<u>333,348</u>
	<u>333,348</u>

**4. Trading Subsidiary**

The Charity has a wholly-owned trading subsidiary which is incorporated in the UK. Downside School Enterprise Limited (Registered Company No 2456168) operates the shops and the letting of the school during the school holidays. The subsidiary company's profits have been gift aided in full to the Charity.

During the period ended 31 January 2020, Downside School Enterprise Limited achieved sales of £27,685 and returned a profit of £14,971. Net assets of the subsidiary amount to £14,971.

**5. Net expenditure**

The net expenditure for the period is stated after charging:

	2020 £
Depreciation	134,579
Auditors remuneration	10,750
Operating lease rentals	178,701
Interest payable on loans	21,944
Bank charges	2,254

**Downside School**

**Governors' Report and Financial Statements for the period ended 31 January 2020**

**6. Total expenditure**

	<b>Staff costs</b>	<b>Other costs</b>	<b>Depreciation</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expenditure on raising funds	-	33,701	-	33,701
<b>Charitable activities</b>				
Teaching	1,579,660	287,709	-	1,867,369
Welfare	232,303	137,298	-	369,601
Premises	209,073	699,671	134,579	1,043,323
Support	301,994	497,497	-	799,491
	<b>2,323,030</b>	<b>1,622,175</b>	<b>134,579</b>	<b>4,079,784</b>
<b>Governance costs</b>				
Fees payable for the audit	-	10,750	-	10,750
Fees payable for other services	-	2,541	-	2,541
Governors' expenses	-	10,251	-	10,251
	-	<b>23,542</b>	-	<b>23,542</b>
<b>Total expenditure</b>	<b>2,323,030</b>	<b>1,679,418</b>	<b>134,579</b>	<b>4,137,027</b>

**7. Employee information**

	<b>2020</b>
	<b>£</b>
Wages, Salaries	2,173,075
Social Security Costs	77,899
Pension Contributions	72,056
	<b>2,323,030</b>

The average number of employees including part time staff during the period was:

	<b>2020</b>
	<b>Number</b>
Teachers	94
Other	116
<b>Total</b>	<b>210</b>

Key Management personnel of the School are deemed to be the Senior Leadership Team. The total amount paid to key management personnel, including Employers Pension, National Insurance and any Benefits in Kind was £294,035.

The Governors received no remuneration. Governors travelling and training expenses are reimbursed when claimed and totalled £10,251.

The number of employees whose emoluments were £60,000 per annum or above:

	<b>2020</b>
£70,000 - £79,999	1

The pension contributions included within the above bands amounted to £13,236.



**8. Taxation**

The School is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives if these profits and surpluses are applied solely for charitable purposes.

**9. Tangible fixed assets**

	<b>Furniture &amp; Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>			
11 September 2019	-	-	-
Additions	2,042,467	6,653	2,049,120
Disposals	-	-	-
Reclassification	-	-	-
31 January 2020	<u>2,042,467</u>	<u>6,653</u>	<u>2,049,120</u>
<b>Depreciation</b>			
11 September 2019	-	-	-
Charge for the Period	127,926	6,653	134,579
Eliminated on Disposal	-	-	-
31 January 2020	<u>127,926</u>	<u>6,653</u>	<u>134,579</u>
<b>Net Book Value</b>			
31 January 2020	<u>1,914,541</u>	<u>-</u>	<u>1,914,541</u>
11 September 2019	<u>-</u>	<u>-</u>	<u>-</u>

**10. Fixed Asset investment**

	<b>Listed investment 2020 £</b>	<b>Investment fund 2020 £</b>	<b>Total 2020 £</b>
Market value at the beginning of the period	-	-	-
Additions	68,760	146,712	215,472
Gain on investment	21,960	6,901	28,861
Market value at the end of the period	<u>90,720</u>	<u>153,613</u>	<u>244,333</u>

Downside School owns shares in an investment fund jointly with Downside Abbey General Trust. The School holds 23% of the joint holding.

The listed investment represents 6,000 shares in Telecom Plus Plc.

**Downside School**  
**Governors' Report and Financial Statements for the period ended 31 January 2020**

**11. Stock**

	<b>2020</b>
	<b>£</b>
School Stores	28,458
School Shops	2
	<u><b>28,460</b></u>

**12. Debtors**

	<b>2020</b>
	<b>£</b>
Trade debtors	928,508
Other debtors	1,592,703
Prepayments and accrued income	143,154
Downside School Enterprise Limited	115,918
	<u><b>2,780,283</b></u>

**13. Creditors: Amounts falling due within one year**

	<b>2020</b>
	<b>£</b>
Bank Loans	140,279
Advance Fees Scheme	344,567
Trade Creditors	273,070
Taxation and Social Security	92,875
Deferred income	1,922,415
Other Creditors	1,097,738
Accruals	302,445
Amounts due to	
Downside Enterprise Limited	-
	<u><b>4,173,389</b></u>

Fees received under the fees in advance scheme will be applied as follows:

	<b>2020</b>
	<b>£</b>
After 5 years	-
Within 2 to 5 years	118,224
Within 1 to 2 years	226,343
	<u><b>344,567</b></u>

**Downside School****Governors' Report and Financial Statements for the period ended 31 January 2020**

The advance fees balance represents the accrued liability under the contracts. Capital movements during the period were:

	2020 £
Balance brought forward	-
Contracts transferred from DAGT	390,929
New contracts	84,631
Amounts utilised	<u>(130,993)</u>
	<b><u>344,567</u></b>

**14. Creditors: Amounts falling due after more than one year**

	2020 £
Bank Loans	<u>2,572,124</u>
	<b><u>2,572,124</u></b>

The bank loan was adopted as part of the separation from the Downside Abbey General Trust and has a term of five years from the separation date. The bank loan is secured against the main School site which is leased from Downside Abbey General Trust for a period of 125 years.

Bank loan aging as follows:

	2020 £
Due within one year	140,279
Due within one to two years	94,928
Due within two to five years	<u>2,477,196</u>
	<b><u>2,712,403</u></b>

**15. Operating Lease Commitments**

	£ 2020 Property	£ 2020 Fixtures and Fittings
Annual commitments under non-cancellable operating leases: which expire:		
Within 1 Year	425,000	11,607
In One to Two Years	425,000	11,607
In Two to Five Years	1,275,000	23,214
Greater than Five Years	51,000,000	-
	<b><u>53,125,000</u></b>	<b><u>46,428</u></b>

**Downside School**  
**Governors' Report and Financial Statements for the period ended 31 January 2020**

**16. Acquisitions**

On the 11 September 2019, Downside School acquired the School trading business of Downside Abbey General Trust for no cash consideration.

This transaction has been accounted for by the acquisition method of accounting as applied to a Public Benefit Entity Combination.

In accordance with FRS 102 assets have been brought in at fair-value.

The assets and liabilities acquired were:

	<b>2020</b>
	<b>£'000</b>
Fixed assets	2,049
Investments	215
Stock	28
Debtors	57
Cash	-
Donation from the Trust	2,180
Creditors	(1,626)
Treasury loan	(2,712)
	<u>191</u>

**17. Movement in Funds**

Unrestricted fund	11 September	Income	Expenditure	Gain on Investment	Transfers	31 January 2020
	£	£	£	£	£	£
General fund	-	3,656,167	(4,137,027)	28,861	-	(451,999)
<b>Total Funds</b>	<b>-</b>	<b>3,656,167</b>	<b>(4,137,027)</b>	<b>28,861</b>	<b>-</b>	<b>(451,999)</b>

**18. Net Assets by Fund**

	Tangible Fixed Assets	Investments	Net Current Assets	Long term liabilities	Total
	£	£	£	£	£
Unrestricted fund	1,914,541	244,333	(38,749)	(2,572,124)	(451,999)
	<u>1,914,541</u>	<u>244,333</u>	<u>(38,749)</u>	<u>(2,572,124)</u>	<u>(451,999)</u>

## **Downside School**

### **Governors' Report and Financial Statements for the period ended 31 January 2020**

#### **19. Related Parties**

During the period ended 31 January 2020 transactions totalling £980,946 were paid to Downside Abbey General Trust where Very Rev Dom Nicholas P Wetz is a Trustee and controller of the Trust. The charges related to services provided to the School.

Transactions in favour of the School under the formal separation agreement between the Trusts remained outstanding at the period end. The balance due to the School amounted to £1,565,741. Further analysis of the acquisition from Downside Abbey General Trust is included within Note 16.

The School paid a total of £10,251 in Governors' expenses.

#### **20. Pension Obligations**

The School participates in the following pension schemes:

- a) The Teachers' Pension Scheme (defined benefit); and
- b) Defined contribution pension schemes, the assets of which are held separately from those of the School in independently administered funds.

The total pension cost charge represents contributions payable by the School to these schemes as follows:

	<b>2020</b>
	<b>£</b>
Defined Benefit Scheme	254,122
Defined Contribution Schemes	37,508
	<u><b>291,630</b></u>

The following amounts had not been paid to the schemes at the year-end:

	<b>2020</b>
	<b>£</b>
Defined Benefit Scheme	70,230
Defined Contribution Schemes	14,229
	<u><b>84,459</b></u>

The School withdrew from the Teachers' Pension Scheme ("the TPS") on the 31 December 2020. The pension charge for the year includes contributions payable to the TPS for the period from 11 September 2019 to 31 January 2020 of £254,122 and at year-end £70,230 was accrued in respect of contributions to the scheme.

The TPS is an unfunded multi-employer defined benefit 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.

All pension charges are charged to unrestricted funds, in line with the fund from which wages and salaries are paid.

#### **21. Contingent Asset**

As part of the formal separation, Downside Abbey General Trust has agreed to contribute funds towards maintenance works to be carried out on the School estate. These works are capped at £4m

**Downside School****Governors' Report and Financial Statements for the period ended 31 January 2020**

with payments receivable as works are carried out. Downside School will recognise funds received within the Statement of Financial Activities in the period in which the works are carried out.

**22. Financial Instruments**

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

Financial assets held at amortised cost total £6,049,181 and held at fair value total £244,333.  
Financial liabilities held at amortised cost total £6,745,513.

**23. Notes to the Cash Flow statement****i) Reconciliation of net debt**

	11 September 2019	Cash-flows	31 January 2020
Cash	-	1,325,897	<b>1,325,897</b>
Bank Loan - within one year	-	(140,279)	<b>(140,279)</b>
Bank Loan - after one year	-	(2,572,124)	<b>(2,572,124)</b>
	-	<b>(1,386,506)</b>	<b>(1,386,506)</b>

**ii) Reconciliation of net expenditure to net cash flow from operating activities**

	2020 £
Net expenditure for the reporting period	(451,999)
Depreciation	134,579
Fair value of donations received from the Abbey	(191,000)
Increase in stocks	-
Gain on investments	(28,861)
Decrease / (increase) in debtors	(544,036)
Increase / (decrease) in creditors	2,407,214
<b>Net inflow from operating activities</b>	<b>1,325,897</b>