

St Dunstan's Educational Foundation

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 July 2020

ST DUNSTAN'S EDUCATIONAL FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

PRINCIPAL ADDRESS

St Dunstan's College
Stanstead Road
London SE6 4TY

CHARITY REGISTRATION NO.: 312747

GOVERNORS

The Governors of St Dunstan's College who are also the trustees of St Dunstan's Educational Foundation, and who served during the year and subsequently were:

| | | Members of Committee |
|---|-----------------------------|----------------------|
| Mr Paul Durgan | Chairman | 4, 6 |
| Mr Ian Davenport | Deputy Chairman | 1, 2, 3, 4, 5, 6 |
| Mrs Victoria Alexander | | 1, 6 |
| Dr Yvonne Burne | | 1, 2 |
| Ms Judy Clements | | 5, 6 |
| Reverend Katherine Hedderly | (appointed 13 March 2020) | |
| Mrs Linda Kiernan | | 1 |
| Alderman Nicholas Lyons | | 4 |
| Professor Paul Leonard | (resigned 29 November 2019) | |
| Mr Ken Marshall | | 4, 5, 6 |
| Mrs Rosalind Meredith | (appointed 19 March 2021) | |
| Mr David Probert | | 5, 6 |
| Miss Diane Robertshaw | | |
| Mr Shams Rahman | | 2, 5, 6 |
| Mr Jonathan Ronan | (appointed 13 March 2020) | |
| Mr Navdeep Sheera | | 2, 3, 4, 5 |
| | | |
| Committee Key | | |
| 1 Member of the Education Committee | | |
| 2 Member of the Leadership and Governance Committee | | |
| 3 Trustee of the General Charitable Trust | | |
| 4 Member of the Finance and Investment Committee | | |
| 5 Member of the Property Committee | | |
| 6 Member of the Risk and Compliance Committee | | |

EXECUTIVE STAFF

| | |
|-----------------|---|
| Mr N Hewlett | Headmaster |
| Mrs C Wilkins | Bursar and Clerk to the Governors |
| Mr P Cozens | Head of the Junior School (resigned 30 th November 2019) |
| Miss L Whitwood | Head of the Junior School (appointed 20 th January 2020) |
| Mr A Johnson | Deputy Head Academic (resigned 31 st August 2020) |
| Mr J Holmes | Deputy Head Academic (appointed 1 st September 2020) |
| Mrs A Waite | Deputy Head Pastoral (resigned 31 st August 2019) |
| Mrs J McLellan | Deputy Head Pastoral (appointed 1 st September 2019) |

The Headmaster and the Bursar and Clerk to the Governors attend all Committee and full Governing Body meetings. The remaining members of the College Leadership Team (CLT) attend all full Governing Body meetings, as well as the Education Committee, and other committees as required or requested. Other senior staff members from across the College are invited to attend any relevant Governors' meetings as necessary.

The Headmaster is a member of the Headmasters' and Headmistresses' Conference (HMC). The Head of the Junior School is a member of Independent Association of Prep Schools (IAPS).

ST DUNSTAN'S EDUCATIONAL FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

SOLICITORS

Harrison Clark Rickerbys Limited
Ellenborough House
Wellington Street
Cheltenham
GLOUCESTERSHIRE, GL50 1YD

Mills & Reeve LLP
24 King William Street
Candlewick
LONDON EC4R 9AT

Stone King LLP
Boundary House
91 Charterhouse Street
Barbican
LONDON EC1M 6HR

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
BRISTOL, BS1 4QA

EMPLOYMENT LEGAL ADVISORS

Judicium Education
72 Cannon Street
LONDON EC4N 6AE

BANKERS

HSBC Bank Plc
City of London Commercial Centre
71, Queen Victoria Street
LONDON, EC4V 4AY

INVESTMENT MANAGERS

UBS AG
5, Broadgate
LONDON, EC2M 2AN

AUDITOR

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25, Farringdon Street
LONDON, EC4A 4AB

FINANCIAL ADVISORS

Rothschild & Co
New Court
St Swithin's Lane
London
EC4N 8AL

ST DUNSTAN'S EDUCATIONAL FOUNDATION

TRUSTEES' REPORT

for the year ended 31 July 2020

We, as Governors, and also as Trustees of the Charity, have pleasure in presenting the annual report and financial statements for the year ended 31 July 2020.

The financial statements have been prepared to give a "true and fair view" and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The Governors have read the Charity Commissioner's guidance on public benefit and have paid due regard to the guidance as is evidenced in this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

St Dunstan's Educational Foundation was established by a Principal Scheme in 1883. The Scheme has been amended during the subsequent years. The current Charity Commission Scheme was amended in 1994 and in 2019. The Foundation is an unincorporated association however the incorporation of the Charity is under review. It has permanently endowed funds, restricted funds and unrestricted funds. These funds are kept separately to ensure they are utilised in accordance with the wishes of the original donor, the original trust deed and charity law.

The Governing Body when complete consists of 17 persons, being:

Three Ex-officio Governors:

The Alderman of the Ward of Tower in the City of London.

Two of the four Churchwardens of the Ecclesiastical Parish of All Hallows by the Tower with St Dunstan-in-the-East being those as appointed by the Parochial Church Council of the said Parish as the Churchwardens of St Dunstan-in-the-East. Each of the Churchwardens appointed by the said Parochial Church Council is appointed for a term of office ending on the date of the appointment of his or her successor.

Two Nominated Governors:

The Nominated Governors are appointed by the Parochial Church Council of the Ecclesiastical Parish of All Hallows by the Tower with St Dunstan-in-the-East. Each of the nominated Governors is appointed for a term of five years.

Twelve Co-opted Governors:

The Co-opted Governors are appointed for a term of five years by a resolution of the Governors. The Foundation is aware of the need to assess on an ongoing basis the mix of skills, knowledge and experience of its Governors and up to now the Foundation has been able to recruit co-opted Governors using the wide-ranging contacts of existing Governors, officers of the Foundation, alumni of St Dunstan's College, current parents and community partners.

Appointment of New Governors

Following appointment by the Board new Governors are formally inducted by the Clerk to the Governors once they have accepted their appointment. This induction involves visiting the College, meetings with and being briefed by key staff and the provision of a substantial background information pack on the Foundation and in particular the role and responsibilities, both financial and statutory of a trustee. New Governors are made aware of and encouraged to attend the many seminars and briefings held by the legal and accounting firms designed to brief new Trustees. In addition, all Governors attend a study period once a year to receive presentations on key issues affecting the Foundation and the sector more widely and to give them an opportunity to make strategic decisions about the future direction and policy of the Charity. All new Governors are required to complete appropriate safeguarding checks and induction paperwork to comply with relevant policies, covenants and legislation.

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To keep up to date with developments and changing legislation, many Trustees also attend various training days and seminars provided by the Association of Governing Bodies of Independent Schools, the Independent Schools Council, the Independent Association of Preparatory Schools, the Independent Schools' Bursars Association, The Headmasters' and Headmistresses' Conference, and legal and accounting firms.

The strategic direction of the Foundation is exercised by the Governing Body, it being jointly and severally responsible for ensuring the strategic direction of the Charity. Delegated and detailed challenge and support of the various elements of the leadership and management of the College is given to the various sub-committees. All Trustees attend meetings of the Governing Body, which take place at least once in each school term amounting to three meetings in any normal year. At these meetings Governors offer challenge and support to the Executive Leadership as well as making strategic decisions about the future direction of the Charity and ensuring policies are being implemented effectively. The Education, Leadership and Governance, Finance and Investment, Property and the Risk and Compliance Committees also meet each term prior to the full Governing Body meeting, so that the Chairman of each sub-committee can present a short report to the full Board. Each Committee has a nominated Chairman; the Chairman of the Board of Governors and the Deputy Chairman currently attend each Committee along with at least four other Governors. Day to day running of the College, the Senior School and the Junior School is delegated to the Headmaster who Chairs the College Leadership Team (CLT) which is constituted by the Head of the Junior School, the two Deputy Heads of the Senior School (Academic and Pastoral) and the College Bursar (who is also Clerk to the Governors). The provision of support and business services for all aspects of the running of the College is delegated to the Bursar. The responsibility for complying with all charity and related regulations is delegated to the Clerk.

The Foundation has a wholly owned subsidiary company, College Hire Limited, Company Number 04396837, to promote and manage the use of Foundation assets and facilities when not required by the College. The Deputy Chairman is the Chairman of the Board of Directors of the Company and the Bursar is the Company Secretary.

The Governors continue to examine the principal areas of the Foundation's operations and to consider the major risks faced in each of these areas. In the opinion of the Governors, the Foundation has established resources and systems to take appropriate actions which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

Key Management Personnel and Remuneration

Pay for the CLT is reviewed annually by the Leadership and Governance Committee, which is made up of all the Committee Chairs and includes the Chairman of Governors.

The Charity has, for many years, engaged in educational benchmarking surveys and regularly monitors remuneration and benefits within the independent school sector. A full and thorough review of staff pay of all posts across College was carried out by the Headmaster and the Bursar in 2018, followed by a period of consultation with staff. The rationale behind this review was to ensure parity and transparency across all posts within the Foundation, and to ensure that, as far as is possible, the Charity is not demonstrating and form or either conscious or unconscious bias or discrimination in the reward of pay. Decisions were based on the most up-to-date benchmarking data, market trends, market availability and a full analysis of responsibilities held.

Risk Management

The Governors are responsible for the overseeing of the risks faced by the Charity. Detailed considerations of risk and their mitigation are delegated to the CLT. Risks are identified through effective use of the Foundation's risk register and are assessed by the College Health and Safety Committee (which includes Senior and Middle Leaders); the Inspection and Compliance Committee (which includes Senior Leaders) and the Governor Risk and Compliance Committee. The risk register identifies potential risks which are grouped into four sections: 1) strategic and reputational risks; 2) operational risks; 3) compliance risks and 4) financial risks. The detailed risk register is analysed and discussed by the Risk and Compliance Sub-Committee and an executive summary is produced three times a year for each of the full Board meetings of Trustees. Current areas of focus for the Foundation include the impact of the COVID-19 pandemic, political and economic instability, compliance with loan covenants and the associated capacity to deliver these; and the recruitment and retention of staff.

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A formal review of the Health and Safety Policy and other key Policies are undertaken by the Foundation's Risk and Compliance Committee annually. An organic and 'live' serious incidents log is also maintained by the CLT and is reported to all committee and full board meetings. This document captures all current incidents from across the Charity that are considered 'one-off' incidents that pose the potential for significant risk to the Charity and its reputation. Trends within this log are reviewed termly by the CLT, alongside the complaints log and bullying log, and actions are formulated as a consequence. An annual report is presented to the Full Board in its summer meetings looking at annual trends in serious incidents, bullying, parental concerns and complaints, in order to offer challenge and ensure appropriate action is being taken to mitigate against risk.

VISION, VALUES AND OUTCOMES

The principal object of the Foundation is to provide and conduct in or near Lewisham, a day school for boys and girls.

Vision and Values

The College Vision is a statement of the overarching strategic objective for the education at work within the College. It was formulated by the Foundation and College Leadership Team in 2019, to guide all the educational and operational planning within the College: 'An ambitious forward-thinking community that inspires and supports individuals to thrive'.

Our vision seeks to capitalise upon the rich and imaginative history of our College without being constrained by it, delivering a deliberately ambitious and forward-thinking approach to education without losing sight of the importance of supporting and inspiring individuality. St Dunstan's aspires for all its young people to thrive in every way – personally, physically, socially and academically – and the breadth of the curriculum and co-curriculum is entirely designed to support that ambition. Our community is a key determinant in defining who we are – our vibrant and grounded Lewisham location, our rich and inspiring history, our co-educational setting, and our eclectic Dunstonians, near and far – all of this sets the tone for a community that is particularly well positioned to embrace the range of challenge and opportunity presented by the globalised world of which we are now a part.

It is our aspiration that, through an innovative approach to the fulfilment and embellishment of this vision, and through a broad and far-reaching education, the College will help its young men and women develop as individuals, to be at ease with themselves and others, and to have a thirst for the richness of life that is aided by having developed the following values of character:

- Confidence
- Courage
- Creativity
- Curiosity
- Compassion

Development Planning

The Foundation has an embedded and effective development plan cycle that fuels the work at all levels of the organisation. The annual College Development Plan stems from ongoing and specific periods of self-evaluation and reflection and is fundamental in underpinning the focus of all elements of the College's educational development. A distributed approach is taken to the creation of the key priorities in any one year, with pupils, staff, parents and governors feeding into the plan. All development plan priorities within any one year are intrinsically linked to the fulfilment of our aims and values, which in turn drive the impact on pupil personal and academic achievement. The College Development Plan is ratified annually by the Governing Body at its annual study period. In reviewing the Development Plan, our Governors give careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. They consider that the Charity is providing considerable public benefit.

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Aims

The St Dunstan community works towards 20 outcomes for any three-year cycle of our development, all of which are rooted within a community framework:

Our Pupils

- To have maintained high levels of pupil achievement through ambitious and forward-thinking teaching and academic leadership.
- To have maintained rapid rates of pupil progression through an ambitious culture of learning that is increasingly realising high levels of pupil attainment.
- To be delivering an ambitious and forward-thinking Co-Curriculum which ensures engagement for all.
- To be delivering an ambitious and forward-thinking Examined and Additional Curriculum that best prepares our pupils for the future.
- To be providing an ambitious and forward-thinking approach to assessment and the monitoring of pupil progress that engenders pupil agency in their own progression.
- To have embedded consistency in our approach to monitoring, communicating and responding to individual pupil safeguarding, wellbeing and learning needs.
- To have improved the mechanisms by which we communicate with, listen to and respond to pupils.

Our Staff

- To have developed an ambitious and forward-thinking approach to staff professional development.
- To have an ambitious and forward-thinking approach to staff well-being.
- To ensure that safeguarding is embedded at the forefront of everyone's thinking.

Our Environment

- To have an ambitious and forward-thinking approach to our delivery of Information Technology.
- To have developed safe and inspirational learning and working environments for our whole community.
- To have an ambitious and forward-thinking approach to sustainability across the community.

Our Partners

- To have developed an ambitious and forward-thinking approach to our community relationships and the mutual benefit that stems from them.
- To have an ambitious and forward-thinking programme of charitable giving and charitable partnerships.
- To have an ambitious and forward-thinking approach to parent communication.
- To be receiving tangible benefits from international engagements.

Our Business and Charity

- To have developed excellence in administrative and technical support.
- To have developed excellence in financial and business management.
- To be ambitious and forward thinking in our approach to generating income through effective marketing, development and fundraising.

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Measurable Outcomes

The Foundation aims for quantifiable performance within Key Performance Indicators (KPIs):

- Recruitment of Pupils
- Retention of Pupils
- Results of Pupils

These KPIs are monitored regularly by the CLT. The success of these has been captured and reported on throughout this report.

Key Policies

Admissions

The Foundation is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the College and at a level that is consistent with our aim of providing a first class education to boys and girls.

Our College welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that St Dunstan's will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves that potential pupils can cope with the pace of learning and benefit from the education we provide.

Equal Opportunities

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Safeguarding

The Foundation is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. Comprehensive annual training on safeguarding and child protection is given to staff working at all levels of the organisation. Termly safeguarding reports and a serious incident log with anonymised information are given to the governing body to support discussion of pastoral trends. The Designated Safeguarding Lead keeps abreast of changes in national guidance and ensures this is appropriately reflected in the College's safeguarding policies. The College also has safer recruitment policies and procedures in place which are subject to internal and external review.

The College has a forward –thinking pastoral approach with a robust pastoral staffing structure comprising tutors, heads of year and assistant heads. This approach is encapsulated in the work of our Wellness Centre, which services as a centre for child mental and physical wellbeing and includes provision for counselling, chaplaincy, nurse-led support of physical health needs and mental and physical first aid.

Access and Public Benefit

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy together with our involvement in the community contributes to a widening of access to the education we offer and the facilities we enjoy.

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The College is part of a wider community and it strives to ensure that we are fully integrated with it. A significant and growing community service programme, a range of educational benefits offered to local children and state schools, a community Summer Festival and regular review of how our facilities are best deployed for community use, out of term time, are all important features of College identity. The College continues to be a partner school of the London Academy of Excellence in Tottenham, where the Headmaster serves as a Governor and where the Charity has committed resource to support this school community.

The success of our community programmes is explained in the review of activities and achievements section of this report.

Bursary Policy

The Governors view our bursary awards as important in helping to ensure that children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to families who meet our general entry requirements and are made solely 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. In assessing means we take a number of factors into consideration including family income, investments and savings and family circumstances, for example dependant relatives and the number of siblings. However, the Foundation does not have a large endowment and in funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The bursary awards range from 5% to 100% remission of fees. Further details of our bursary policy and how to apply are available on our website.

The success of our bursary scheme is explained in our review of activities and achievements section of this report. Details of all awards are also set out in note 2 to the financial statements.

Scholarship Policy

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor.

Scholarships are awarded with a fixed remission of fees of either 10% or 25%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. Further details of our scholarship policy are available on our website.

ACHIEVEMENTS AND PERFORMANCE

College Roll

The College Roll at the end of the following academic years was:

| | 2019/20 | 2018/19 |
|---------------|----------------|----------------|
| Junior School | 302 | 300 |
| Senior School | 636 | 609 |
| Total | 938 | 909 |

Details of Bursary and Scholarship Awards for Senior School Pupils

Bursaries

This year the value of means tested bursaries, that were accepted, totalled £695k (2019: £617k) and represented 6.6% (2019: 6.1%) of our gross senior school fees. Bursaries provided assistance to 59 (2019: 48) of our pupils, of which 14 (2019: 7) pupils benefitted from a full remission of fees.

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Scholarships

In addition, the College awarded scholarships to 212 senior school pupils (2019: 196), based on their educational merit and potential. Of this number, 25 (2019: 19) also qualified for means-tested bursary support and are included in the figures relating to bursary awards. The value of scholarships to those in receipt solely of an academic award amounted to £742k (2019: £756k) or 7.0% (2019: 7.5%) of gross senior school fees.

The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of reviews.

Means-tested bursaries and scholarships are not available to pupils in the Junior School.

Review

The Foundation awarded scholarships, bursaries and prizes to the value of £1,567k (2019: £1,496k). Of these £25k (2019: £24k) were made from restricted funds. The bursary and scholarship review completed by Governors in 2018 led to the increase in bursary awards shown above. However, the number of bursaries which are accepted fluctuates.

Examination Results

GCSE:

- 61% (2019: 57%) of grades awarded were an A* or A (9, 8 or 7)
- 82% (2019: 73%) of grades were A* to B (9, 8, 7 or 6)

A Level

- 57% (2019: 35%) of grades awarded were A*-A
- 87% (2019: 69%) of grades awarded were A* to B
- 100% of pupils passed at A* to E grades (2019: 100%)

Co-curricular Activities

The Forder Programme is the name given to the College's ambitious co-curricular programme.

In the Senior School the Programme offers more than 100 activities across the course of any one week, representing a significant diversity of interests. The quality of Art, Drama, Music, Sport, Combined Cadet Force (CCF), Duke of Edinburgh Award Scheme and Community Service, as our core co-curricular areas, is very good and pupil participation is exceptionally high. The Programme is constantly evolving to represent the flavour and interests of the current students and staff and ranges from Tri Club to Amnesty, CCF to Warhammer and Music and Drama to Film Club.

In the Junior School a similar breadth of choices on offer, from Rugby Munchkins in Pre-Prep to British Sign Language, Coding and Drones and Robots in the Prep.

Community Links and Public Benefit

In addition to the above bursaries and scholarships, the Foundation has also supported the following community activities:

College Facilities

- Over a number of years, the Foundation has sought to widen access to its facilities, often at fee rates well below commercial levels. This year's activities were impacted by COVID-19. However, the grounds and sports facilities are let as much as possible at weekends and in holiday periods to local users who wish to run various events and sporting activities. During the summer, where possible, classroom facilities are let to various language schools, which provide a programme of English tuition, combined with cultural and sporting activities, to students from all over the world.

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for the year ended 31 July 2020

- College facilities are routinely offered for free to our local state schools including, for example, use of our Great Hall for Christmas concerts, our Jubilee Grounds for Sports Days and sporting festivals, and our swimming pool to offer swimming lessons to those who would not otherwise be able to access them.
- Our facilities are also used to support local events. The Jubilee Ground supported the Catford Arts Trail, hosting local artist displays for the public and our Great Hall hosted a community antiques fair.

School Partnerships

- A partnership with the London Academy of Excellence in Tottenham began in 2016. The Headmaster serves on the Governing Body, and as part of that partnership the College has had various exchanges with students. The Foundation also makes a direct financial contribution to the work of that school.
- There is a strong link between the College's CCF and local state schools. Students from the community have formed part of our Contingent and their teachers help serve and work with our staff in running the cadet activities, to the mutual benefit of both sets of students.
- We have continued to develop our partnerships with local state schools, where we actively consider any possible bursary and scholarship candidates for access to the College, but also look at other ways in which we might be able to support them. Our Careers events have been opened to students from these schools and masterclasses provided in particular subject areas.

The Arts

Sadly due to the coronavirus pandemic the St Dunstan's Festival was unable to run this year. However the College's Community Choir, which is open to parents, alumni and friends of the school, met until prevented by lockdown. Chapel Choir and SDC Voices provide regular enhancement of community worship, singing at All Hallows by the Tower and St Augustine's Church. St Dunstan's also served as a centre for the community for those children who wished to enter ABRSM music examinations last year.

Sport

- Over 13,000 hours of football hire is made available to the public on our synthetic sports pitches annually. The St Dunstan's Jubilee Ground hosted and supported offering free access to over 900 local Primary School children who attended Lewisham School Games Football events over 3 days. The Jubilee Ground is host to Remark Community Deaf Junior Football Training. Free pitches were offered for training to Lewisham's district football squad. Lewisham's London Youth Games football squad given free access to train ahead of the event. Five hours a week of free pitch hire was offered to Catford and Lewisham police units for training and fitness. Dalmain FC offer free Community Football development at the Jubilee Ground to local girls aged 7-12. St Dunstan's Jubilee Ground is Tottenham Hotspur FC's only Southern Football Centre offering holiday development programmes with premier league standard coaching to local children.
- St Dunstan's College hosted Goldsmith's University Varsity Day with multiple sports being played across the main college and Jubilee Ground sites with over 500 participants and spectators.
- Our sports hall is also available for public hire
- St Dunstan's continued in its annual support for the MCC Community Cricket Hub offering local children 13 weeks of free cricket coaching and pathways. The Jubilee Ground is also home to Catford Cyphers Cricket Club and Beckenham Cricket Club.
- Jubilee Ground hosted the Lewisham Schools Netball Event for 12 local schools competing at years 5 & 6.
- In hockey, 35 hours weekly hire was made available to local community clubs.

Community Service

- At St Dunstan's College, we encourage students of all age groups to take an interest in their local community and to take up the opportunities available to get involved. The Community Service Programme has expanded and flourished over the years and we are pleased to see that the number of students involved in the wide range of activities offered is increasing.

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- This year students pioneered a competitive project amongst each year group to fill the food bank in Catford library on a weekly basis. Two students maintained the Catford Bridge book exchange every week. Fifteen students helped out in the Junior School, providing teaching support and after-school care.

Charity

- In the academic year 2019/20 we supported a wide range of charities with special events and a weekly collection as each form in turn brings their offering to the main assembly.
- During this year we raised nearly £5k supporting the work of 8 local, national and international charities.

Community support through the COVID-19 pandemic

- More than 750 items of PPE were produced by St Dunstan's Design and Technology Department. These were delivered to:
 - King's College London
 - St Christopher's Hospice
 - Bethlem Royal Hospital
 - Local GP surgeries
- Other protective eyewear donated from the Art Department and Science Labs was given to local hospitals and GP surgeries
- Food and drink donated to Catford's Saturday Soup Kitchen included 170 apples, 150 eggs and 10kg new potatoes.
- Food and drink deliveries were made to the Trussell Trust Foodbank in Forest Hill
- A dedicated Support Hub was created on our website featuring the latest NHS and PHE guidance, mental health advice and daily tips for lockdown suggested by teachers and pupils
- St Dunstan's Lectures were posted online for the whole community to enjoy – more than 15,000 views

Sustainability

The College has made great strides in sustainability this year, with valuable input from the student Sustainability Committee:

- Wildflowers and 1,000 bulbs planted around the College
- Computers installed with software to automatically switch off after working hours
- Meat free Tuesdays and plastic bottles no longer provided in the refectory
- Participation in Earth Hour
- Car Free Days
- Air Quality award for the Junior School
- A new junior woodland classroom
- Senior School nature and science pond
- Environmentally friendly construction methods

FINANCIAL REVIEW

These financial statements cover the year ended 31 July 2020. The Foundation has achieved a sound operational performance in 2019/20 achieving an operating surplus of £902k (2019: £762k) prior to investment losses.

The College's fees receivable, including grants from the Foundation, for the year amounted to £13,473k (2019: £13,421k), representing a 0.4% increase over the previous twelve months. In overall terms, however, the Foundation's funds have decreased during the year by £1,655k (2019: increase of £283k). The value of investments decreased during the year by £1,048k mainly due to revaluations. (2019: decrease of £4,279k reflecting the transfer of one property into fixed assets (£814k), the sale of investments to fund pre-construction for the new Junior School/ STEM block (£3,190k) and revaluations). The value of the interest rate swap entered into in December 2019, alongside the HSBC loan facility to help fund the JS/ STEM building, decreased in value by £1,416k since its inception.

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College Hire Limited achieved a loss of £37k (2019: £45k profit). In December 2019 HMRC determined that College Hire Limited was not an 'eligible body' for an exemption under VAT Act 1994. The Directors of College Hire Limited, following expert advice, disagree with HMRC's conclusion and the potential liability arising from HMRC's conclusion, estimated at £260k, has therefore not been recognised as a liability in these accounts (see note 26).

Note 17 to the accounts sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the Foundation's obligations on a fund-by-fund basis.

The Foundation's tangible assets are all held for use in the College. In the present property market the Governors do not consider that their estimate of the value is materially different from that shown in the accounts. Investments are held to create income and capital growth pending utilisation on the objects of appeals, bequests or donations or to match liabilities as appropriate. These are valued at cost or appropriate valuation (see note 11).

GOING CONCERN

At the time of signing these financial statements the Coronavirus disease (COVID-19) continues to be a pandemic. As discussed in more detail in the going concern accounting policy on page 24, the Trustees have a reasonable expectation that the Charity remains a going concern for the following key reasons:

- Demand for places at the College has been increasing. In November 2019 the College has successfully completed a full ISI education inspection resulting in 'excellent' judgements in all areas as well as a successful compliance inspection. In October 2020 St Dunstan's College was named Independent Coeducational School of the Year at the Independent School Awards 2020. The College is making significant investment in its facilities, including the building of a Junior School and STEM block. Detailed market research was completed during 2018 which reported that the number of families within the catchment area who can afford an independent education will increase by 16% by 2024. This change in local demographics combined with the increased popularity provides a sound basis for the future success of the Charity.
- Performance of detailed financial modelling looking forward at least 12 months demonstrating that the Foundation has sufficient cash and is able to meet the financial covenants within its new loan facility. Scenario analysis performed demonstrates that there are sufficient funds available to meet the cost of increased 'bad debt' which could arise where parents' financial circumstances are impacted by COVID-19. The Foundation monitors fee debtors closely.
- Both the UK Government and the Foundation's bankers have indicated their support for businesses impacted by COVID-19.

The Governors are unaware of any other factors which would impact on the Charity being treated as a going concern.

INVESTMENT PERFORMANCE

Governors are pleased with investment income, which is better than forecast. However, the market value of the investments decreased by £1,124k since 31 July 2019 due to the market volatility arising from the COVID-19 pandemic. Governors are reviewing the investment strategy to ensure that this meets the needs of the Foundation going forward. The overarching investment objective is to maximise investment income while at least maintaining the value of the funds in real terms. An income target is set and reviewed annually.

During the year an income return of 4.3% (2019: 4.8%) was achieved on invested funds which are managed by UBS Wealth Management. It is anticipated that the rate of investment return in 2020/21 will be around 2.7%.

There was a 21.7% decrease (2019: 2.1% increase) in the FTSE 100 index over the year. In 2020 the Foundation's investments decreased in value by 12.1% (2019: 2.2% decrease).

INVESTMENT POLICY

The overall investment policy of the Governors is to maintain a well-balanced portfolio of investments covering a spread of equities, gilts and properties to meet the needs of the Foundation in terms of both capital growth and income. This policy is not restricted by ethical or other considerations, however, this is currently under review.

ST DUNSTAN'S EDUCATIONAL FOUNDATION

TRUSTEES' REPORT

for the year ended 31 July 2020

PRINCIPAL RISKS AND UNCERTAINTIES

An Inspection and Compliance Committee, consisting of staff leaders from across all areas of the Foundation, meets six times a year and updates the relevant sections of the Foundation's Risk Register. This information feeds into the Foundation's Risk and Compliance Committee, a sub-committee of the full Governing Body who meet three times a year.

Current and potential future risks are assessed, along with the measures required to reduce the likelihood or mitigate the impact. The executive summary, that accompanies this detailed register, highlights the following key risks, which are discussed and monitored closely by Governors and College Leadership Staff.

Current Key Risks and Hazards

- Capital construction risks, particularly those created by the COVID-19 pandemic and Brexit.
- Financial and operation risks linked to the building of the new Junior School and STEM block and the impact on cash flow, Teachers Pension Scheme rising costs and financial uncertainty created by the COVID-19 pandemic
- COVID-19-triggered challenges, including the subsequent impact on workloads and the potential impact on the wellbeing of pupils and staff
- Recruitment risks and the priority of attracting and retaining the highest quality staff
- Travel to and from school for pupils, staff and parents and the potential risks for pedestrians and cyclists
- Unincorporated Charity and the risks associated for Trustees

Detailed plans have been drawn up and implemented to mitigate these and all other high risks identified.

The construction of the new Junior School and STEM block is being delivered by an experienced contractor and there is strong project management in place to help mitigate the risk of delays and overspend, which decreases as we move closer to completion in April 2021.

In order to address the financial and operational risks associated with the new building and other financial uncertainty, the Foundation regularly prepares financial forecasts which reflect various economic scenarios. These are reviewed periodically by the Governors. The Reserves Policy, set out below, also helps to ensure that the Foundation can withstand financial uncertainty. The Foundation is also working closely with HSBC in respect of ensuring the financial covenants within the loan facility are met.

The College is providing ongoing pastoral support for pupils and for its staff. The Staff Welfare Committee works to address any concerns raised by staff. Additional teaching support has been secured for this academic year to help alleviate workload.

The College continues to be an exciting place to work. This was confirmed by the ISI report in November 2019 and by the success of the College in the 2020 Independent School Awards. The College continues to ensure that the benefits it pays to staff are competitive and the College works to retain staff through rigorous performance management, opportunities to develop and by looking after staff welfare.

The Foundation is trialling access to the College from Ravensbourne Park. Other potential access routes are also being considered.

A review of the status of the Foundation as an unincorporated charity has commenced with professional advice being sought.

RESERVES POLICY

The Foundation's Reserves Policy is to maintain sufficient unrestricted reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall, and to rely on the readily realisable investments of the Foundation's unrestricted reserves for that purpose. The Foundation will apply from time to time to the Charity Commission in England and Wales to liquidate restricted or endowed reserves as adequate cover for the Foundation's longer-term capital expenditure commitments and any longer-term financial obligations

At 31st July 2020, the Charity had total reserves of £21,260k (2019: £22,915k).

ST DUNSTAN'S EDUCATIONAL FOUNDATION

TRUSTEES' REPORT

for the year ended 31 July 2020

Of these reserves £1,074k (2019: £1,084k) are "Restricted" and they can only be utilised in accordance with the wishes of the original donor. The majority of these funds provide income for bursaries, scholarships, prizes and other specific purposes outlined by the donor in a specific deed or their will.

In addition, the Charity had Permanently Endowed Funds of £10,796k (2019: £13,737k) at 31st July 2020. £10,765k of these Endowed Funds can only be realised by disposing of fixed assets. Endowment Funds originate from a Scheme made by the Charity Commission in 1869 under the Endowed Schools Act 1869. These "Endowed" funds again provide income for scholarships and bursaries and other charitable activities but if the Charity wishes to expend capital contained in these funds the Trustees may need to seek Charity Commission approval depending on the nature of the proposed expenditure.

The balance of reserves is "Unrestricted". The Charity had no designated reserves at 31st July 2020. At 31 July 2020, the Foundation had unrestricted funds of £9,390k (2019: £8,094k).

In November 2019 the Trustees of St Dunstan's Educational Foundation signed a construction agreement with Willmott Dixon Ltd to build a new Junior School and STEM and Sixth Form building. The value of this construction agreement is £21.5m with the total cost of the development (including professional fees, furniture and fittings and the creation of new multiple use games areas for netball) being £24.5m. As at 31st July 2020 the value of the works to date is £11,087k (of which £10,540k is for the Junior School and STEM building built on endowed land). The cost is being met by the use of the Foundation's unrestricted reserves, the sale of some endowed investments, see below, and a £20m bank loan facility from HSBC UK Bank plc.

The Charity Commission granted permission for the Foundation to utilise £3,000k of the Endowed Funds to fund the pre-construction phase of the new Junior School and STEM block. As at 31 July 2020 £1,846k of Endowed investments have been transferred to the Unrestricted Fund and utilised to fund this work.

The Charity Commission authorised the Trustees to spend the sum of not more than £23.6m from the Charity's permanent endowment for the purpose of constructing the new Junior School, STEM and Sixth Form building. At 31 July 2020 the value of this Recoupment Order is £10,540k.

The Trustees consider that the Foundation holds a sufficient level of unrestricted reserves to meet the Foundation's short-term financial obligations. At 31 July 2020 unrestricted net assets were £91k (2019: net current liabilities of £392k) and unrestricted cash and listed investments were £6,416k (2019: £7,031). The Trustees consider this is sufficient to enable all aspects of the Foundation's work to be conducted in an orderly and efficient manner and to provide cover for unexpected but unavoidable items of expenditure which cannot be funded from current income.

The Foundation has an agreed business plan and model which demonstrates how it is anticipated that the new building and other property development will increase student numbers. The forecast surpluses from this increase in student numbers will be utilised to re-build reserves.

PLANS FOR FUTURE PERIODS

Strategic priorities for the Charity, established by the Strategic Working Party and ratified by the Full Board at Eastbourne 2019 are:

- 1) To fulfil the purpose and objects of the Charity in such a way that ensures legislative compliance, proactive risk management, best practice and clear community and public benefit
- 2) To ensure safeguarding children is at the forefront of all we do.
- 3) To ensure progress is made in the fulfilment of the educational outcomes as articulated through the College's vision.
- 4) To ensure outstanding strategic leadership through:
 - high and consistent expectations of all governors
 - transparent, regular and consistent procedures for the review of leadership within the Governing Body and its effective succession planning
- 5) To future proof the quality of education through ensuring:

ST DUNSTAN'S EDUCATIONAL FOUNDATION

TRUSTEES' REPORT

for the year ended 31 July 2020

- effective and accountable operational leadership by the College Leadership Team and robust succession planning
- the development and enhancement of facilities through an agreed and sustainable facilities master-plan
- enacting regular scrutiny of the curriculum and how it connects to the changing future landscape

6) To future-proof revenue for the Charity by developing plans for:

- sustainable expansion of the College roll
- developing domestic and international partnerships
- enhancing the development office and links with alumni
- enhancing business opportunities
- developing the real estate portfolio
- developing outstanding facilities to support educational excellence

7) To future-proof the Charity against changes to the political and economic landscape by enacting procedures for:

- regular and on-going market research
- financial modelling of future scenarios
- robust use of the Charities risk register
- mitigation of risks associated with international partnerships
- regular review of the structure of the Foundation and its associated liabilities

When considering the Foundation's finances, the Governors are acutely aware of the need to maintain an equitable balance to ensure current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for generations to come.

The property master plan addresses the priorities that Governors have for the current facilities and ensures St Dunstan's competes with other local schools. A major part of this master plan is to provide inspirational and innovative learning environments to enhance the student experience in STEM subjects (Science, Technology, Engineering and Maths) and improve access to independent study spaces for sixth form students.

These property works are expected to span over five years. The first year of this programme was completed in the summer of 2018 and included a complete refurbishment of the 130 year-old main corridor, a new student hub area; a complete redesign of the English classrooms and a new £1.2m multi use games area. Year two, 2019, saw the refurbishment of the history classrooms as well as the Jubilee Pavilion, including new netball courts and girls' changing rooms and the redevelopment of the Foundation's property in Blythe Hill. The new Junior School and STEM block construction is underway and due to complete in April 2021. The final phases of development focus on The Plaza (an outdoor performance and social space), the Performing Arts Centre and the refurbishment of the Sports and Leisure Centre.

In addition to this capital works programme Governors continue to support the works required to ensure the highest standards of health and safety.

FUNDRAISING PRACTICES

During the year, the Foundation has sought to raise funds from the public. The Development Office and Headmaster have approached parents, alumni and other individuals connected to the Foundation to seek donations towards the Foundation's development plans. In January 2020 the Foundation engaged the services of a self-employed consultant to advise on its fundraising strategy. Aside from this, the Foundation has not employed the assistance of any professional fundraisers or had fundraising carried out on its behalf.

The Foundation always aims to follow best practice in fundraising, and in doing so abides by specific fundraising law (including the General Data Protection Regulation and any associated or implementing legislation) and relevant guidance from regulatory and other bodies including The Charity Commission (CC), The Fundraising Regulator, The Institute of Fundraising (IoF) and The Information Commissioner's office.

The Foundation adopts the following general standards:

- a) all funds raised for a particular cause must be used for that cause;
- b) we will not denigrate other individuals or organisations;

ST DUNSTAN'S EDUCATIONAL FOUNDATION

TRUSTEES' REPORT

for the year ended 31 July 2020

- c) we will not exaggerate facts;
- d) we will not take advantage of mistakes made by donors;
- e) we treat donors fairly*

* We protect donors and potential donors by treating donors fairly:

- we enable them to take informed decisions about donations. We take account of needs of donors who may be vulnerable or may need additional support to make an informed decision
- we do not take advantage of credulity, lack of knowledge or apparent need for support or vulnerable circumstance
- we do not seek or accept donations if we know or suspect that a potential donor lacks capacity and will return any donations made by someone who lacked capacity at the time
- we do not make unreasonable intrusions into privacy, are not unreasonably persistent and will not place undue pressure on anyone to donate
- we will not ask for support if a person has clearly indicated that they do not wish to continue to engage or we have reasonable grounds for believing in the course of engaging with an individual that they are in vulnerable circumstances and unable to make an informed decision to donate.

In order to meet these standards, we adopt the Institute of Fundraising Treating Donors Fairly guidance.

The Foundation is registered with the Fundraising Regulator and adheres voluntarily to the Regulator's Code of Fundraising Practice.

There have been no complaints with regards to fundraising in the year.



Mr Paul Durgan

On behalf of the Governors:

Date: 19 March 2021

ST DUNSTAN'S EDUCATIONAL FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Governors are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources of the charity 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 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 charity will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ST DUNSTAN'S EDUCATIONAL FOUNDATION

Opinion

We have audited the financial statements of St Dunstan's Educational Foundation (the 'charity') and its subsidiary (the 'group') for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Group and parent charity Balance Sheets, the Group and parent Cash Flow Statements 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 FRS 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 charity's affairs as at 31 July 2020 and of their incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity 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 group's or parent charity'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 Trustees' 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, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 17, the trustees 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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ST DUNSTAN'S EDUCATIONAL FOUNDATION

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 parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <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 charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: **19 March 2021**

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

St Dunstan's Educational Foundation
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
as at 31 July 2020

| | | Unrestricted Funds | | Restricted Funds | Endowment Funds | Total 2020 | Total 2019 |
|---|------|-----------------------------------|--------------|------------------|-----------------|----------------|---------------|
| | Note | College plus College Hire Limited | Other | | | | |
| | | £k | £k | £k | £k | £k | £k |
| INCOME from | | | | | | | |
| Donations and Legacies | 5 | - | 1 | 75 | - | 76 | 193 |
| <i>Charitable activities</i> | | | | | | | |
| School fees receivable | 2 | 13,473 | (125) | (25) | - | 13,323 | 13,271 |
| Other educational income | 3 | 781 | | | | 781 | 352 |
| Other ancillary income | 3 | 39 | 46 | - | - | 85 | 72 |
| <i>Other trading activities</i> | | | | | | | |
| Leisure club | | 172 | - | - | - | 172 | 262 |
| Nursery | | - | - | - | - | - | 323 |
| School facility lettings | | 361 | - | - | - | 361 | 604 |
| <i>Investments</i> | 4 | 6 | 385 | 14 | - | 405 | 551 |
| TOTAL INCOME | | <u>14,832</u> | <u>307</u> | <u>64</u> | <u>-</u> | <u>15,203</u> | <u>15,628</u> |
| EXPENDITURE on | | | | | | | |
| <i>Cost of raising funds</i> | | | | | | | |
| Financing costs | 7 | 306 | - | - | - | 306 | 228 |
| Leisure club, Nursery & Lettings | 7 | 554 | - | - | - | 554 | 1,171 |
| Investment management fees | 7 | - | 27 | - | - | 27 | 37 |
| <i>Charitable activities</i> | | | | | | | |
| School operating costs | | <u>13,320</u> | <u>61</u> | <u>33</u> | <u>-</u> | <u>13,414</u> | <u>13,430</u> |
| TOTAL EXPENDITURE | | <u>14,180</u> | <u>88</u> | <u>33</u> | <u>-</u> | <u>14,301</u> | <u>14,866</u> |
| NET INCOME BEFORE INVESTMENT GAINS/ (LOSSES) | 8 | 652 | 219 | 31 | - | 902 | 762 |
| (Losses)/ gains on investment assets | | | | | | | |
| Realised | | - | - | - | - | - | (375) |
| Unrealised | | - | (543) | (41) | (540) | (1,124) | 40 |
| (Losses)/ gains on hedging instrument for loan | | <u>(1,416)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,416)</u> | <u>-</u> |
| NET INCOME/ (EXPENDITURE) | | (764) | (324) | (10) | (540) | (1,638) | 427 |
| Transfers between funds | 18b | 2,494 | (93) | - | (2,401) | - | - |
| Actuarial (loss) on defined benefit pension scheme | 23 | <u>(17)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(17)</u> | <u>(144)</u> |
| NET MOVEMENT IN FUNDS | | 1,713 | (417) | (10) | (2,941) | (1,655) | 283 |
| RECONCILIATION OF FUNDS | | | | | | | |
| Total funds brought forward at 1st August 2019 | | <u>3,988</u> | <u>4,106</u> | <u>1,084</u> | <u>13,737</u> | <u>22,915</u> | <u>22,632</u> |
| Total funds carried forward at 31st July 2020 | | <u>5,701</u> | <u>3,689</u> | <u>1,074</u> | <u>10,796</u> | <u>21,260</u> | <u>22,915</u> |

St Dunstan's Educational Foundation

BALANCE SHEETS

as at 31 July 2020

| | <i>Notes</i> | Consolidated | | Foundation | |
|---|--------------|---------------------|----------------|-------------------|----------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | £k | £k | £k | £k |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 10 | 23,506 | 15,248 | 23,506 | 15,248 |
| Investments | 11,12 | 8,409 | 9,457 | 8,409 | 9,457 |
| | | <u>31,915</u> | <u>24,705</u> | <u>31,915</u> | <u>24,705</u> |
| CURRENT ASSETS | | | | | |
| Stock | | 8 | 10 | 4 | 5 |
| Debtors | 14 | 979 | 851 | 1,012 | 929 |
| Cash at bank and in hand | 13 | <u>3,550</u> | <u>4,063</u> | <u>3,514</u> | <u>3,815</u> |
| | | 4,537 | 4,924 | 4,530 | 4,749 |
| CREDITORS: | | | | | |
| Amounts falling due within one year | 15a | <u>(3,658)</u> | <u>(4,030)</u> | <u>(3,614)</u> | <u>(3,855)</u> |
| NET CURRENT ASSETS | | <u>879</u> | <u>894</u> | <u>916</u> | <u>894</u> |
| TOTAL ASSETS PLUS/ LESS CURRENT ASSETS | | 32,794 | 25,599 | 32,831 | 25,599 |
| CREDITORS | | | | | |
| Amounts falling due after one year | 15b | <u>(10,646)</u> | <u>(1,745)</u> | <u>(10,646)</u> | <u>(1,745)</u> |
| NET ASSETS EXCLUDING PENSION LIABILITY | | 22,148 | 23,854 | 22,185 | 23,854 |
| Defined benefit pension scheme liability | 23 | <u>(888)</u> | <u>(939)</u> | <u>(888)</u> | <u>(939)</u> |
| TOTAL NET ASSETS | | <u>21,260</u> | <u>22,915</u> | <u>21,297</u> | <u>22,915</u> |
| FUNDS | | | | | |
| Unrestricted | | 9,390 | 8,094 | 9,427 | 8,094 |
| Restricted | | 1,074 | 1,084 | 1,074 | 1,084 |
| Endowment | | <u>10,796</u> | <u>13,737</u> | <u>10,796</u> | <u>13,737</u> |
| TOTAL FUNDS | 18a | <u>21,260</u> | <u>22,915</u> | <u>21,297</u> | <u>22,915</u> |

Approved by the Trustees on 19 March 2021 and signed on their behalf by:



Mr Paul Durgan
Chairman

Notes on pages 24 to 51 form part of these accounts.

St Dunstan's Educational Foundation
STATEMENT OF CASH FLOWS - CONSOLIDATED
for the year ended 31 July 2020

| | Note | 2020 £k | 2019 £k |
|---|------|----------------|--------------|
| Cashflows from operating activities: | | | |
| <i>Net cash provided by operating activities</i> | a | 2,426 | 1,886 |
| Cashflows from investing activities: | | | |
| Dividends, interest and rents from investments | | 405 | 551 |
| Proceeds from the sale of property, plant and equipment | | - | - |
| Purchase of property, plant and equipment | | (9,478) | (3,715) |
| Proceeds from sale of investments | | 29 | 3,190 |
| Purchase of investments | | (104) | (60) |
| <i>Net cash used in investing activities</i> | | (9,148) | (34) |
| Cashflows from financing activities: | | | |
| Repayments of borrowing | | 6,209 | 172 |
| <i>Net cash provided by/ (used in) financing activities</i> | | 6,209 | 172 |
| Change in cash and cash equivalents in the reporting period | | (513) | 2,024 |
| Cash and cash equivalents at the beginning of the reporting period | | 4,063 | 2,039 |
| Cash and cash equivalents at the end of the reporting period | b | 3,550 | 4,063 |
| a Reconciliation of net income / expenditure to net cashflow from operating activities | | | |
| <i>Net income for the reporting period (as per the statement of financial activities)</i> | | (1,655) | 283 |
| Adjustments for: | | | |
| Depreciation charges | | 1,201 | 944 |
| Fixed asset impairment | | - | - |
| (Gains)/losses on investments - unrealised | | 1,124 | 375 |
| (Gains)/losses on investments - realised | | - | (40) |
| Dividends, interest and rents from investments | | (405) | (551) |
| (Profit)/loss on the sale of fixed assets | | 19 | 83 |
| (Increase)/decrease in stocks | | 2 | - |
| (Increase)/decrease in debtors | | (128) | (369) |
| Increase in creditors | | 903 | 1,075 |
| Decrease/ (increase) in Loan Hedging Instrument | | 1,416 | - |
| Increase/(decrease) in Defined Benefit Scheme liability | | (51) | 86 |
| <i>Net cash provided by (used in) operating activities</i> | | 2,426 | 1,886 |
| b Analysis of cash and cash equivalents | | | |
| Cash in hand | | 3,550 | 4,063 |
| <i>Total cash and cash equivalents</i> | | 3,550 | 4,063 |

St Dunstan's Educational Foundation
STATEMENT OF CASH FLOWS – FOUNDATION ONLY
for the year ended 31 July 2020

| | Note | 2020 £k | 2019 £k |
|---|------|----------------|--------------|
| Cashflows from operating activities: | | | |
| <i>Net cash provided by operating activities</i> | a | 2,638 | 1,725 |
| Cashflows from investing activities: | | | |
| Dividends, interest and rents from investments | | 405 | 551 |
| Proceeds from the sale of property, plant and equipment | | - | - |
| Purchase of property, plant and equipment | | (9,478) | (3,715) |
| Proceeds from sale of investments | | 29 | 3,190 |
| Purchase of investments | | (104) | (60) |
| <i>Net cash used in investing activities</i> | | (9,148) | (34) |
| Cashflows from financing activities: | | | |
| Repayments of borrowing | | 6,209 | 172 |
| <i>Net cash provided by/ (used in) financing activities</i> | | 6,209 | 172 |
| Change in cash and cash equivalents in the reporting period | | (301) | 1,863 |
| Change in cash and cash equivalents at the beginning of the reporting period | | 3,815 | 1,952 |
| Change in cash and cash equivalents at the end of the reporting period | b | 3,514 | 3,815 |
| a Reconciliation of net income / expenditure to net cashflow from operating activities | | | |
| <i>Net income for the reporting period (as per the statement of financial activities)</i> | | (1,618) | 283 |
| Adjustments for: | | | |
| Depreciation charges | | 1,201 | 944 |
| Fixed asset impairment | | - | - |
| (Gains)/losses on investments - unrealised | | - | 375 |
| (Gains)/losses on investments - realised | | 1,124 | (40) |
| Dividends, interest and rents from investments | | (405) | (551) |
| (Profit)/loss on the sale of fixed assets | | 19 | 83 |
| (Increase)/decrease in stocks | | 1 | - |
| (Increase)/decrease in debtors | | (83) | (433) |
| Increase in creditors | | 1,034 | 978 |
| Increase/ (Decrease) in Loan Hedging Instrument | | 1,416 | - |
| (Decrease)/Increase in defined benefit scheme liability | | (51) | 86 |
| <i>Net cash provided by (used in) operating activities</i> | | 2,638 | 1,725 |
| b Analysis of cash and cash equivalents | | | |
| Cash in hand | | 3,514 | 3,815 |
| <i>Total cash and cash equivalents</i> | | 3,514 | 3,815 |

St Dunstan's Educational Foundation

ACCOUNTING POLICIES

for the year ended 31 July 2020

BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £k.

The financial statements have been prepared on the historical cost convention modified to include certain financial instruments at their fair value as explained in the relevant accounting policy. The principal accounting policies adopted are set out below.

GOING CONCERN

At the time of signing these financial statements the COVID-19 pandemic is still evolving and is unprecedented and therefore brings challenges and uncertainties, which the Trustees have considered in the 'Principal Risks and Uncertainties' section of their Report (see page 13).

Detailed financial modelling and scenario analysis has been performed demonstrating that the Foundation has sufficient cash and is able to meet the financial covenants within its new loan facility for at least 12 months following the signing of these financial statements. Scenarios considered included the loss of pupil numbers and reduction in the recoverability of fees. Key assumptions made in this scenario analysis included the ability to generate cash through the sale of the Foundation's unrestricted investments. Longer term projections are that going forward the Foundation expects to achieve greater surpluses which will be reinvested in improving facilities in the medium and long term. Demand for places at the College is currently strong, although there is risk that the take up may be lower than forecast depending on the impact that the pandemic may have on parents' ability to continue funding schooling.

Both the UK Government and the Foundation's bankers have indicated their support for businesses impacted by COVID-19. The Trustees are not currently forecasting the need to access such support other than furloughing some staff until April 2021, but note its availability should the need arise.

Having considered the uncertainties posed by the pandemic the Trustees consider for the above reasons that there are no material uncertainties about the Charity's ability to continue as a going concern and have accordingly continued to prepare the financial statements on a going concern.

GROUP FINANCIAL STATEMENTS

The financial statements consolidate the results of the charity and its wholly owned subsidiary, College Hire Limited, on a line by line basis. The charity has taken advantage of the concession offered not to present a separate SOFA for the charity as a standalone entity.

INCOME RECOGNITION

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting scholarships, bursaries and other remissions allowed by the College, but include contributions received from the Foundation and other sources.

Grants receivable for specific purposes are accounted for as restricted funds. Transfers are made from those funds to offset depreciation.

Grants related to the Coronavirus Job Retention Scheme are treated as income in the period to which each grant claim relates and is treated as other educational income in the Statement of Financial Activities.

St Dunstan's Educational Foundation

ACCOUNTING POLICIES

for the year ended 31 July 2020

INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

DONATIONS

Donations received for the general purposes of the College are credited to "other unrestricted funds" to distinguish them from direct College income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or to endowed funds where the amount is required to be held as permanent capital.

The accounts of the Charity include the funds which are under the direct control of the Governors.

EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the expenditure of the Foundation in running a leisure club, a commercial nursery and a lettings business through its wholly owned trading subsidiary, College Hire Limited.
- Expenditure on charitable activities includes all expenditure in running a school and in particular teaching, premises and welfare costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Scholarships and bursaries are charged to expenditure in the period to which they relate.

ALLOCATION OF SUPPORT COSTS

Support costs are those functions that assist the work of the charity but do not directly deliver charitable activities. Support costs include all administrative and governance costs which support the charity's activities.

These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

OPERATING LEASES

Rentals payable are charged on a straight line basis over the lease term.

TANGIBLE FIXED ASSETS

College buildings and equipment

Capitalisation and replacement

The original College land and buildings are carried at the amount of the value of property in June 1994 as valued by a professional adviser. In accordance with the transitional provisions of FRS102, this valuation has not been updated. Additions and improvements to the property since 1994 representing enhancements in value are stated at cost. The College is responsible for keeping these properties in a fit and useful condition and these costs are written off as incurred.

Items costing less than £5,000 are written off as an expense as acquired. The capitalisation threshold within College Hire Limited is £500.

Where additions and improvements are under construction on Permanently Endowed land these are included within Endowed Funds.

Interest costs directly attributable to the financing of tangible fixed assets are capitalised at the cost of the related borrowings.

St Dunstan's Educational Foundation

ACCOUNTING POLICIES

for the year ended 31 July 2020

Depreciation

Depreciation of other assets is provided at rates to write off the excess of cost over estimated residual amount over their estimated useful lives as follows:

| | Years |
|-----------------------------|-------|
| Buildings | 50 |
| Improvements and extensions | 10-50 |
| Furniture and equipment | 3-25 |
| Motor vehicles | 5 |

No depreciation is provided on freehold land.

Leasehold property is written off over the remaining period of the lease.

STOCK

Stock is included at the lower of cost or net realisable value.

DEBTORS

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

CASH AT BANK AND IN HAND

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

CREDITORS AND PROVISIONS

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

BORROWINGS

Borrowings are initially recognised at their transaction price including transaction costs and subsequently measured at amortised cost using the effective interest method.

General and specific borrowing costs directly attributable to the acquisition and construction of freehold properties that take a substantial period of time to get ready for their intended use or sale are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

DERIVATIVES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value at each reporting date. Fair value gains and losses are recognised in the Statements of Financial Activities.

FINANCIAL INSTRUMENTS

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'other Financial Instruments Issues' of FRS 102 in full to all of its financial instruments.

Recognition and measurement of financial instruments.

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.

Classification of financial instruments

Financial instruments are classified as liabilities or assets according to the substance of the contractual arrangements entered into.

St Dunstan's Educational Foundation

ACCOUNTING POLICIES

for the year ended 31 July 2020

Fixed asset investments

Fixed asset investments are initially measured at transaction price. Transaction price includes transaction costs, except where investments are measured at fair value through the Statement of Financial Activities when transaction costs are expensed to the Statement of Financial Activities as incurred.

The fair value of investments quoted on a recognised stock exchange are measured at market value through the Statement of Financial Activities.

Investment properties are initially measured at cost and subsequently measured at fair value where a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the Statement of Financial Activities.

Fee, trade and other debtors

Fee, trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financial transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment fee and trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised are recognised immediately in the Statement of Financial Activities.

Trade and other creditors

Trade and other creditors (including accruals) payable within one year that do not constitute a financial transaction are initially measured at the transaction price and subsequently measured at amortised costs, being transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at their transaction price including transaction costs and subsequently measured at amortised cost using the effective interest method.

Advance fee scheme

Advance fee discounts are charged to finance costs as required by FRS 102 and included within the gross fees reflected in the financial statements.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value at each reporting date. Fair value gains and losses are recognised in the Statements of Financial Activities.

Offset of financial instruments

Financial assets and financial liabilities are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party or if some (but not substantially all) risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

A financial liability (or part thereof) is derecognised when the obligation specified when the obligation specified in the contract is discharged cancelled or expires.

PENSION CONTRIBUTIONS

Retirement benefits to eligible employees of the College are provided by The Teachers' Pension Scheme (TPS). This is a defined benefit scheme, which is externally funded. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations, using a prospective benefit method.

St Dunstan's Educational Foundation

ACCOUNTING POLICIES

for the year ended 31 July 2020

Group personal pension scheme

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the Scheme.

Independent Schools Pension Scheme

This is a defined benefit scheme managed by 'TPT' Retirement Solutions (formerly the Pensions Trust). Employer contributions are charged to the Statement of Financial Activities as they become payable. The contributions are determined by qualified actuaries on the basis of triennial valuations.

Independent Schools Pension Scheme -Auto-Enrolment

From 1 April 2014 the Foundation opened a fourth pension scheme for all employees who were not entitled to or who had not opted to join one of the three existing schemes. Contributions are charged to the Statement of Financial Activities as they become payable.

Unfunded pensions

The Charity makes unfunded pension payments to a small number of former employees under the terms of The St Dunstan's Educational Foundation Superannuation Scheme (1974), itself a consolidation of previous schemes. No liability is disclosed in these accounts in respect of this scheme and the annual cost of payments made is set against the income of the year (see note 9).

FIXED ASSET INVESTMENTS

Investments have been stated at their fair value at the beginning and end of the financial year. Realised and unrealised gains and losses are calculated by reference to the market valuation of the relevant investments at the start of the financial year.

RESERVES

The Charity has permanently endowed funds, restricted funds and unrestricted funds. These restricted funds are separately accounted for in accordance with the terms of the originating deeds and documentation. In March 2007 the trustees received confirmation from leading Counsel that all original land and buildings, given to the Foundation in 1888 and additions thereto, were permanently endowed.

TAXATION

St Dunstan's Educational Foundation is a registered charity and as such its income and gains falling within Sections 518 to 564 of the Income Taxes Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from income tax and capital gains tax to the extent that they are applied to its charitable objectives.

AGENCY ARRANGEMENT

The Charity has an arrangement with the Friends of St Dunstan's College (FSDC) to make payments and receipts on its behalf. FSDC is a formally constituted grouping of parents who arrange social and charitable events for the benefit of pupils of the College. The Charity includes funds held at the year-end within its financial statements as the sums involved are not material.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the application of the Charity's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from 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 where the revision affects only that period or in the period of the revision and future periods where the revision affects more than one period.

There are not considered to be any significant estimates or assumptions that might materially affect the financial statements.

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

1 FINANCIAL PERFORMANCE OF THE CHARITY

The Consolidated Statement of Financial Activities includes the results of the charity's wholly owned subsidiary, College Hire Limited (note 6).

The trading company gift aids all its surpluses to the Foundation as shown in note 6 and the gift aid is included with the Statement of Financial Activities (SOFA) for the Charity. The standalone SOFA for the Charity has therefore not been included.

| 2 | FEES RECEIVABLE - COLLEGE | Total 2020 £k | Total 2019 £k |
|---|--|---------------------|---------------------|
| | Fees receivable consist of: | | |
| | Gross fees | 15,040 | 14,767 |
| | Less: Total scholarships, bursaries and other remissions | (1,717) | (1,496) |
| | | <u>13,323</u> | <u>13,271</u> |
| | Add: Contributions to fees made from the Foundation | 150 | 150 |
| | | <u>13,473</u> | <u>13,421</u> |

The figures in brackets in the Statement of Financial Activities within the Other Unrestricted Funds £125k (2019: £126k) and Restricted Funds £25k (2019: £24k) columns represent contributions made by the Charity internally towards scholarships and bursaries.

| 3 | OTHER INCOME | Total 2020 £k | Total 2019 £k |
|---|---------------------------------|---------------------|---------------------|
| | <i>Other educational income</i> | | |
| | Entrance and registration fees | 56 | 56 |
| | Examination fees | 76 | 63 |
| | After school care | 54 | 60 |
| | Other income from pupils | 242 | 173 |
| | CJRS income | 353 | - |
| | | <u>781</u> | <u>352</u> |
| | <i>Other ancillary income</i> | | |
| | Tuck shop | 19 | 43 |
| | Pupil transport to school | 20 | 18 |
| | Sundry catering income | - | 1 |
| | Rental income (fixed asset) | 46 | 10 |
| | | <u>85</u> | <u>72</u> |

In 2020 and 2019 all other income is unrestricted income.

Included in other income is £353k from the Coronavirus Job Retention Scheme (CJRS). This is the only form of direct financial assistance that has been received from the UK Government (2019: nil) and there are no unfulfilled conditions relating to this income.

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

| 4 | INVESTMENT INCOME | Total 2020 £k | Total 2019 £k |
|---|-------------------------------------|---------------------|---------------------|
| | Interest receivable | 10 | 8 |
| | Rental income (investment property) | 35 | 41 |
| | Listed investments | 360 | 502 |
| | | <u>405</u> | <u>551</u> |

The income from interest receivable totals £10k (2019: £8k) of which £9k (2019: £7k) was unrestricted and £1k (2019: £1k) was restricted.

All rental income is unrestricted in both years and arises from the Foundation's investment in the Fordmill Road Depot adjacent to the Jubilee Ground.

All income from listed investments arises from stocks acquired through a UK Stock Exchange. Income totalling £347k (2019: £489k) is unrestricted with £13k (2019: £13k) included within restricted funds.

| 5 | VOLUNTARY INCOME | Total 2020 £k | Total 2019 £k |
|---|------------------|---------------------|---------------------|
| | Donations | 15 | 28 |
| | Legacies | 61 | 165 |
| | | <u>76</u> | <u>193</u> |

The income from donations and legacies was £76k (2019: £193k) of which £1k (2019: £117k) was unrestricted and £75k (2019: £76k) was restricted. Income shown as legacies derives from a trust created by a former pupil in his will (and in 2019 a one off legacy of £100k). This income derives from a commercial property administered by a Board of Trustees.

6 INCOME FROM TRADING ACTIVITIES

The wholly owned trading subsidiary College Hire Limited is incorporated in England and Wales (company number 04396837) and distributes all of its profits to the charity under gift aid. College Hire Limited and hires out other facilities to the general public, charitable bodies and other hirers. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

| | Total 2020 £k | Total 2019 £k |
|--|---------------------|---------------------|
| Turnover | 534 | 1,240 |
| Cost of sales and administration costs | (571) | (1,195) |
| Net profit | <u>(37)</u> | <u>45</u> |
| Distribution to the charity | - | (45) |
| Retained in subsidiary | <u>(37)</u> | <u>=</u> |

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

The assets and liabilities of the subsidiary were:

| | | |
|--------------------------------------|-------------|----------|
| Fixed assets | - | - |
| Current assets | 114 | 288 |
| Current liabilities | (151) | (288) |
| Total net (liabilities) | <u>(37)</u> | <u>-</u> |
| Aggregate share capital and reserves | <u>(37)</u> | <u>-</u> |

7 ANALYSIS OF EXPENDITURE

| | Staff costs £k | Other Costs £k | Depreciation £k | Total 2020 £k | Total 2019 £k |
|-------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------|
| EXPENDITURE on | | | | | |
| <i>Cost of raising funds</i> | | | | | |
| Leisure club and lettings | 410 | 144 | - | 554 | 1,171 |
| Financing costs | - | 306 | - | 306 | 228 |
| Investment management fees | <u>-</u> | <u>27</u> | <u>-</u> | <u>27</u> | <u>37</u> |
| <i>Charitable activities</i> | <u>410</u> | <u>477</u> | <u>-</u> | <u>887</u> | <u>1,436</u> |
| School operating costs | | | | | |
| Teaching costs | 7,441 | 692 | 18 | 8,151 | 7,938 |
| Welfare costs | - | 637 | 24 | 661 | 949 |
| Premises costs | 595 | 960 | 1,159 | 2,714 | 2,672 |
| Support costs | 1,218 | 614 | - | 1,832 | 1,815 |
| Donations and prizes | <u>-</u> | <u>56</u> | <u>-</u> | <u>56</u> | <u>56</u> |
| | <u>9,254</u> | <u>2,959</u> | <u>1,201</u> | <u>13,414</u> | <u>13,430</u> |
| | <u>9,664</u> | <u>3,436</u> | <u>1,201</u> | <u>14,301</u> | <u>14,866</u> |

Expenditure on charitable activities was £13,414k (2019: £13,430k) of which £13,381k was unrestricted (2019: £13,403k) and £33k was restricted (2019: £27k).

Analysis of governance and support costs

Support costs have been analysed below and are included within school operating costs, as the charitable activity of the College.

Governance costs include audit fees, trustee indemnity insurance, trustee expenses, legal and professional fees for constitutional matters and meeting costs. These are apportioned between the charitable activities undertaking and the cost of raising funds through letting on the basis of 90% being allocated to charitable activities and 10% to the raising of funds through trading.

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

| | Support costs £/k | 2020 Governance costs £/k | Total £/k | Support costs £/k | 2019 Governance costs £/k | Total £/k |
|------------------------------------|-------------------------|------------------------------------|--------------|-------------------------|------------------------------------|--------------|
| Staff and training costs | 1,232 | - | 1,232 | 982 | - | 982 |
| Marketing | 163 | - | 163 | 175 | - | 175 |
| Staff recruitment | 45 | - | 45 | 62 | - | 62 |
| Legal and professional fees | 61 | - | 61 | 177 | - | 177 |
| Pupil transport | 59 | - | 59 | 93 | - | 93 |
| Office costs | 264 | - | 264 | 315 | - | 315 |
| Administrative overheads | 8 | - | 8 | 11 | - | 11 |
| Governance | | | | | | |
| Staff costs | - | 55 | 55 | - | 52 | 52 |
| Audit and other professional fees | - | 57 | 57 | - | 38 | 38 |
| Meeting and other governance costs | - | 1 | 1 | - | 11 | 11 |
| | <u>1,832</u> | <u>113</u> | <u>1,945</u> | <u>1,815</u> | <u>101</u> | <u>1,916</u> |

8 NET INCOME FOR THE YEAR

| | 2020 £/k | 2019 £/k |
|---|-------------|-------------|
| This is stated after charging: | | |
| Operating leases – equipment | 87 | 43 |
| Depreciation | 1,201 | 944 |
| Governors' liability insurance | 1 | 1 |
| Auditor's remuneration (including VAT) | | |
| - Audit fees | 50 | 35 |
| - Other services – VAT advisory and Teachers Pensions Audit | 7 | 3 |

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

9 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

| | 2020 £k | 2019 £k |
|-----------------------|--------------|--------------|
| Wages and salaries | 7,722 | 7,813 |
| Social security costs | 785 | 782 |
| Other pension costs | 1,157 | 843 |
| | <u>9,664</u> | <u>9,438</u> |

The average monthly head count was 228 staff (2019: 235 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

| | 2020 Number | 2019 Number |
|------------------------|----------------|----------------|
| Teaching | 95 | 95 |
| Teaching Support | 38 | 34 |
| Administrative Support | 50 | 50 |
| Lettings | 16 | 17 |
| Nursery | - | 16 |
| | <u>199</u> | <u>212</u> |

The key management personnel of the College are the College Leadership Team (CLT). The CLT includes the Headmaster, Bursar and Clerk to the Governors, the Deputy Head Pastoral, the Deputy Head Academic and Head of the Junior School. Their total remuneration including pensions, private medical cover and employer national insurance contributions amounted to £658k in this financial year (2019: £623k).

Redundancy and termination payments of £74k were made during this financial year (2019: £2k).

Neither the Governors nor persons connected with them received any remuneration or other benefits from the College or any connected organisation.

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

9 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL (CONT'D)

The number of employees whose annual equivalent emoluments exceeded £60,000 during the period were:

| | 2020 Number | 2019 Number |
|----------------------|----------------|----------------|
| £60,001 to £70,000 | 7 | 4 |
| £70,001 to £80,000 | 3 | - |
| £80,001 to £90,000 | 1 | 3 |
| £100,001 to £110,000 | - | 1 |
| £120,001 to £130,000 | 1 | - |
| £130,001 to £140,000 | - | 1 |
| £160,001 to £170,000 | 1 | - |

Contributions were made to the Teachers' Pension Scheme, of £151k (2019: £83k) in respect of 10 (2019: 6) of the employees reflected above (see note 22). Two (2019:3) higher-paid employees are members of the Independent Schools Pension Scheme- defined contribution scheme (see note 22). Contributions to this scheme during the year amounted to £14k (2019: £19k) for these other higher-paid employees. One (2019: -) higher-paid employee is a member of the Independent Schools Pension Scheme – defined benefit scheme (see note 23). Contributions to this scheme during the year amounted to £9k (2019: -)

The expenses of the Governors were as follows:

| | 2020 £k | 2019 £k |
|---|------------|------------|
| Expenses to attend meetings (including annual conference) | | |
| Governors –number: 14 (2019: 14) | - | 11 |
| Catering provided at meetings | 1 | 1 |
| School operating costs include: | | |
| | 2020 £k | 2019 £k |
| Unfunded pension payments | - | 2 |

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

10 TANGIBLE FIXED ASSETS

| | Land and Buildings | Motor Vehicles | Furniture & Equipment | Assets Under Construction | Total |
|--------------------------|-----------------------|-------------------|-----------------------------|---------------------------------|---------------|
| | £k | £k | £k | £k | £k |
| CONSOLIDATED | | | | | |
| Cost or valuation | | | | | |
| 1 August 2019 | 17,236 | 173 | 3,157 | 2,609 | 23,175 |
| Additions | 169 | - | 120 | 9,189 | 9,478 |
| Disposals | (28) | - | (96) | - | (124) |
| Transfers | <u>1,029</u> | <u>-</u> | <u>5</u> | <u>(1,034)</u> | <u>-</u> |
| | 18,406 | 173 | 3,186 | 10,764 | 35,529 |
| 31 July 2020 | | | | | |
| Depreciation | | | | | |
| 1 August 2019 | 5,669 | 143 | 2,115 | - | 7,927 |
| Charge for the period | 928 | 18 | 255 | - | 1,201 |
| Released on disposal | <u>(9)</u> | <u>-</u> | <u>(96)</u> | <u>-</u> | <u>(105)</u> |
| | 6,588 | 161 | 2,274 | - | 9,023 |
| 31 July 2020 | <u>6,588</u> | <u>161</u> | <u>2,274</u> | <u>-</u> | <u>9,023</u> |
| Net book values | | | | | |
| 31 July 2020 | <u>11,818</u> | <u>12</u> | <u>912</u> | <u>10,764</u> | <u>23,506</u> |
| 31 July 2019 | <u>11,567</u> | <u>30</u> | <u>1,042</u> | <u>2,609</u> | <u>15,248</u> |

Freehold land and buildings at valuation (£k)

| | |
|---|--------------|
| Main College building | 1,700 |
| (Valued by Savills, Chartered Surveyors 27 April 1994) | |
| Groundsman's House | <u>80</u> |
| (Valued by Peter Leigh, Chartered Surveyors 16 December 1996) | |
| | <u>1,780</u> |

The freehold land and buildings were valued at open market value on an existing use basis. The historical cost information in relation to these buildings is not available. The Trustees have considered the holding value of the fixed assets stated above on implementing FRS 102 and consider the values stated above remain appropriate taking in to account the educational activities of the Charity.

Included in Land and Buildings is freehold land valued at £1,502k (2019: £1,502k) which is not depreciated.

St Dunstan's Educational Foundation has pledged land and buildings having a net book value of £10,700k to secure a bank loan with HSBC by way of a fixed charge.

All the interest arising on the bank loan and the hedging instrument for the bank loan was capitalised during the year – total: £51k.

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

10 TANGIBLE FIXED ASSETS (CONTINUED)

| | Land and Buildings | Motor Vehicles | Furniture & Equipment | Assets Under Construction | Total |
|--------------------------|-----------------------|-------------------|--------------------------|---------------------------------|--------|
| | £k | £k | £k | £k | £k |
| FOUNDATION | | | | | |
| Cost or valuation | | | | | |
| 1 August 2019 | 17,236 | 173 | 3,133 | 2,609 | 23,151 |
| Additions | 169 | - | 120 | 9,189 | 9,478 |
| Disposals | (28) | - | (96) | - | (124) |
| Transfers | 1,029 | - | 5 | (1,034) | - |
| | 18,406 | 173 | 3,162 | 10,764 | 32,505 |
| 31 July 2020 | | | | | |
| Depreciation | | | | | |
| 1 August 2019 | 5,669 | 143 | 2,091 | - | 7,903 |
| Charge for the period | 928 | 18 | 255 | - | 1,201 |
| Released on disposal | (9) | - | (96) | - | (105) |
| | 6,588 | 161 | 2,250 | - | 8,999 |
| 31 July 2020 | | | | | |
| Net book values | | | | | |
| 31 July 2020 | 11,818 | 12 | 912 | 10,764 | 23,506 |
| 31 July 2019 | 11,567 | 30 | 1,042 | 2,609 | 15,248 |
| Cost or valuation | | | | | |
| Cost | 16,626 | 173 | 3,162 | 10,764 | 30,725 |
| Valuation | 1,780 | - | - | - | 1,780 |
| | 18,406 | 173 | 3,162 | 10,764 | 32,505 |

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

11 INVESTMENTS

| | Consolidated and Foundation | | | |
|--------------------------------------|--------------------------------|-------------|--------------|----------------|
| | Unrestricted | Restricted | Endowment | Total |
| | £k | £k | £k | £k |
| Balance at 1 August 2019 | 4,901 | 322 | 4,234 | 9,457 |
| Additions | 8 | 1 | 95 | 104 |
| Disposals at opening market value | (15) | (2) | (12) | (29) |
| Revaluations | <u>(543)</u> | <u>(41)</u> | <u>(539)</u> | <u>(1,123)</u> |
| Balance at 31 July 2020 | <u>4,351</u> | <u>280</u> | <u>3,778</u> | <u>8,409</u> |
| | | | | |
| Listed on the Stock Exchange | 3,688 | 280 | 3,770 | 7,738 |
| Property (see note 12) | 660 | - | - | 660 |
| Funds held by Brokers for investment | <u>3</u> | <u>-</u> | <u>8</u> | <u>11</u> |
| | <u>4,351</u> | <u>280</u> | <u>3,778</u> | <u>8,409</u> |

The investments are registered in the name of UBS AG and managed by UBS Wealth Management on behalf of the Charity.

Historical cost of investments listed on the stock exchange is £8,053k (2019: £7,988k). The historical cost of the property is not readily available.

There were no investments representing over five percent of the portfolio value.

Within the Foundation accounts is an investment of £1 in a subsidiary, College Hire Ltd. During the year this company ran the Leisure Club, and hired out other facilities to the general public, charitable bodies, the London Borough of Lewisham and other hirers. From 1 August 2019 the provision of the commercial nursery, which had been run by College Hire Ltd was outsourced to a third party. The Foundation owns 100% of the issued share capital of this company which is incorporated in the United Kingdom.

12 INVESTMENT PROPERTY

At 31st July 2020 the Foundation had one investment property known as Fordmill Road Depot which was uplifted in value from the purchase price of £503,969 to £660,000 in December 2015. The valuation of this industrial property was undertaken by Lambert Smith Hampton RICS Registered Valuers in October 2016. The valuation was carried out by considering the capitalisation of the rental values and having regard to the residual values.

13 CASH AT BANK AND IN HAND

As at 31 July 2020 £1m of the Foundation's cash balances are held as collateral to secure a bank loan with HSBC.

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

| 14 | DEBTORS | Consolidated | | Foundation | |
|------|---------------------------------------|-----------------------------|---------------|--------------|--------------|
| | | 2020 £k | 2019 £k | 2020 £k | 2019 £k |
| | Fee debtors | 448 | 380 | 448 | 380 |
| | Trade debtors | 81 | 135 | 61 | 111 |
| | Sundry debtors | - | 40 | - | 40 |
| | Prepayments and accrued income | 450 | 296 | 397 | 285 |
| | Amounts owed by group undertakings | <u>-</u> | <u>-</u> | <u>106</u> | <u>113</u> |
| | | <u>979</u> | <u>851</u> | <u>1,012</u> | <u>929</u> |
| | | | | | |
| 15 a | CREDITORS: DUE WITHIN ONE YEAR | Consolidated | | Foundation | |
| | | 2020 £k | 2019 £k | 2020 £k | 2019 £k |
| | Fees received in advance and deposits | 1,052 | 956 | 1,052 | 956 |
| | Trade creditors | 87 | 329 | 80 | 276 |
| | Taxation and social security | 196 | 210 | 187 | 190 |
| | Pensions | 142 | 119 | 143 | 119 |
| | Accruals and deferred income | 768 | 1,127 | 745 | 1,033 |
| | Other creditors | <u>593</u> | <u>494</u> | <u>587</u> | <u>486</u> |
| | | 2,838 | 3,235 | 2,794 | 3,060 |
| | Advance fees (see note 16) | <u>820</u> | <u>795</u> | <u>820</u> | <u>795</u> |
| | | <u>3,658</u> | <u>4,030</u> | <u>3,614</u> | <u>3,855</u> |
| | | | | | |
| 15 b | CREDITORS: AFTER MORE THAN ONE YEAR | Consolidated and Foundation | | | |
| | | | 2020 £k | 2019 £k | |
| | Bank loan | | 6,255 | - | |
| | Hedging instrument for loan | | 1,416 | - | |
| | Advance fees (see note 16) | | 1,271 | 1,591 | |
| | Accruals | | 1,582 | - | |
| | Sundry creditors | | <u>122</u> | <u>154</u> | |
| | | | <u>10,646</u> | <u>1,745</u> | |

Bank loan

St Dunstan's Educational Foundation entered into a ten-year loan facility with HSBC in November 2019. This facility has a contractual variable rate linked to GBP 3 month LIBOR plus a margin of 2.25%.

St Dunstan's Educational Foundation is required to make quarterly repayments of the bank borrowings from the quarter ending 31 January 2022.

Bank borrowings are secured against the land and buildings of the Foundation (see note 10) and against collateral of £1m cash held in bank account (see note 13)

The bank loan facility agreement places some restrictions on the Foundation. In particular, the Foundation is required to maintain prescribed interest loan cover and debt service cover ratios for the duration of the loan.

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

Hedging instrument for loan

St Dunstan's Educational Foundation is using an interest rate swap to manage its exposure to interest rate movements on its bank loan facility with HSBC. The Foundation entered into a variable to fixed interest rate swap with HSBC in December 2019. This contract swaps the variable rate of interest for the HSBC loan facility of GBP 3 month LIBOR for a fixed rate of 1.072% per annum for the period up to December 2029.

The interest rate swap was valued externally by the counterparty bank by calculating the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted LIBOR rates.

Sundry Creditors

In April 2019 the Foundation entered into a 5 year agreement with Holroyd Howe to provide catering to the College.

Existing assets, comprising a walk in freezer, kitchen refurbishment and dishwasher with net total book value of £50k were transferred from the previous caterer. These continue to be treated as fixed assets and are being depreciated over 2 years.

During the prior year Holroyd Howe also invested in an upgrade of the servery facility costing £153k and a mixer and washing machined costing a total of £16k. These are being treated as fixed assets and are being depreciated over 10 years and 5 years respectively.

The above sums are being written back over the life on the contract with Holroyd Howe. Of the sum invested £122k is reflected in sundry creditors over one year and £32k in creditors under one year with £46k being released to the Statement of Financial Activities in the year.

A summary of the position regarding the release of these sums to the Statement of Financial Activities is shown below:

| | Consolidated and Foundation | |
|---------------------|-----------------------------|------------|
| | 2020 | 2019 |
| | £ | £ |
| Over 5 years | 51 | 67 |
| Within 2 to 5 years | 52 | 55 |
| Within 1 to 2 years | <u>19</u> | <u>32</u> |
| | 122 | 154 |
| Within 1 year | <u>32</u> | <u>46</u> |
| | <u>154</u> | <u>200</u> |

16 ADVANCE FEE PAYMENTS

College tuition fees may be paid in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the College, advance fees will be applied as follows:

| | Consolidated and Foundation | |
|---------------------|-----------------------------|--------------|
| | 2020 | 2019 |
| | £k | £k |
| Within 2 to 9 years | 693 | 969 |
| Within 1 to 2 years | <u>578</u> | <u>622</u> |
| | 1,271 | 1,591 |
| Within 1 year | <u>820</u> | <u>795</u> |
| | <u>2,091</u> | <u>2,386</u> |

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

The balance represents the accrued liability under the contracts. The capital movements during the period were:

| | 2020 £k | 2019 £k |
|--|--------------|--------------|
| Balance at 1 August 2019/ 2018 | 2,386 | 1,565 |
| New contracts (less repaid) | <u>670</u> | <u>1,617</u> |
| | 3,056 | 3,182 |
| Amounts utilised in payment of fees to the college | <u>(965)</u> | <u>(796)</u> |
| Balance at 31 July 2020/ 2019 | <u>2,091</u> | <u>2,386</u> |

17 ALLOCATION OF THE CHARITY'S NET ASSETS

2020

CONSOLIDATED

| | Fixed Assets £k | Investments £k | Net Current Assets/ (Liabilities) £k | Long Term Liabilities (including pensions) £k | Recoupment Order £k | Total £k |
|---|--------------------|-------------------|---|---|---------------------------|--------------|
| Endowment Funds | 17,527 | 3,778 | 31 | - | (10,540) | 10,796 |
| Restricted Funds | - | 280 | 794 | - | - | 1,074 |
| Unrestricted funds – College plus College Hire Ltd | 5,979 | - | 716 | (11,534) | 10,540 | 5,701 |
| Unrestricted Funds - Other | — | <u>4,351</u> | <u>(662)</u> | — | — | <u>3,689</u> |
| | 23,506 | 8,409 | 879 | (11,534) | - | 21,260 |

FOUNDATION

| | Fixed Assets £k | Investments £k | Net Current Assets/ (Liabilities) £k | Long Term Liabilities (including pensions) £k | Recoupment Order £k | Total £k |
|--|--------------------|-------------------|---|---|---------------------------|--------------|
| Endowment Funds | 17,527 | 3,778 | 31 | - | (10,540) | 10,796 |
| Restricted Funds | - | 280 | 794 | - | - | 1,074 |
| Unrestricted funds – College plus College Hire Ltd | 5,979 | - | 753 | (11,534) | 10,540 | 5,738 |
| Unrestricted Funds - Other | — | <u>4,351</u> | <u>(662)</u> | — | — | <u>3,689</u> |
| | 23,506 | 8,409 | 916 | (11,534) | - | 21,297 |

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

2019

CONSOLIDATED and FOUNDATION

| | Fixed Assets £k | Investments £k | Net Current Assets/ (Liabilities) £k | Long Term Liabilities (including pensions) £k | Recoupment Order £k | Total £k |
|---|--------------------|-------------------|---|---|---------------------------|-------------|
| Endowment Funds | 8,979 | 4,234 | 524 | - | - | 13,737 |
| Restricted Funds | - | 322 | 762 | - | - | 1,084 |
| Unrestricted funds – College plus College Hire Ltd | 6,269 | - | 403 | (2,684) | - | 3,988 |
| Unrestricted Funds - Other | — | 4,901 | (795) | — | - | 4,106 |
| | 15,248 | 9,457 | 894 | (2,684) | - | 22,915 |

18a FUNDS

| | Balance at 1 August 2019 £k | Income £k | Expenditure £k | Realised/ unrealised gains/ (losses) £k | Transfers £k | Balance at 31 July 2020 £k |
|-----------------------------------|--------------------------------------|---------------|-------------------|--|-----------------|-------------------------------------|
| Unrestricted: | | | | | | |
| College plus College Hire Limited | 3,988 | 14,832 | (14,180) | (1,433) | 2,494 | 5,701 |
| Other | 4,106 | 307 | (88) | (543) | (93) | 3,689 |
| | <u>8,094</u> | <u>15,139</u> | <u>(14,268)</u> | <u>(1,976)</u> | <u>2,401</u> | <u>9,390</u> |
| Restricted funds: | | | | | | |
| Development Fund | 91 | - | - | - | - | 91 |
| Bursary Fund | 275 | 7 | (6) | (28) | - | 248 |
| Prize and Other Funds | 718 | 57 | (27) | (13) | - | 735 |
| | <u>1,084</u> | <u>64</u> | <u>(33)</u> | <u>(41)</u> | <u>-</u> | <u>1,074</u> |
| Foundation Endowed funds: | | | | | | |
| Foundation capital | 13,571 | - | - | (540) | (2,401) | 10,630 |
| Legacies | 12 | - | - | - | - | 12 |
| Prize and Other Funds | 154 | - | - | - | - | 154 |
| | <u>13,737</u> | <u>-</u> | <u>-</u> | <u>(540)</u> | <u>(2,401)</u> | <u>10,796</u> |
| TOTAL | <u>22,915</u> | <u>15,203</u> | <u>(14,301)</u> | <u>(2,557)</u> | <u>-</u> | <u>21,260</u> |

A brief description of the funds is set out below:

Unrestricted funds

The “College plus College Hire” unrestricted reserves represent the accumulated surpluses generated by the College and its wholly owned trading company College Hire Limited during their period of operation.

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

The “Other” unrestricted reserves have arisen principally from the investment activities of the Foundation. These represent both surpluses on invested funds and accumulated investment gains arising from the sale and revaluation of invested assets over time.

Restricted funds

The Foundation has a significant number of restricted funds which have arisen since St Dunstan’s College opened in 1888. The largest of these funds are as follows:

Development Fund- This represents the balance of an appeal undertaken in the 1990’s which principally funded the building of the current Sports Hall on the Stanstead Road site.

Development Appeal Bursary Fund- This fund arises from an appeal in the 1980’s and 1990’s to raise funds to fund awards made to boys and girls attending the school. The income of this fund is utilised to fund such awards and the capital is invested to generate income.

Prizes and Other funds- These are funds which have been given to the Foundation over many years for specific purposes and are utilised in accordance with the donor’s wishes. The largest of these funds is the Heaton Caffin Fund which represents a legacy given by a former pupil of the school which gives the income arising from a local commercial property through a Will Trust to the Foundation on an annual basis. The annual income is circa £60k and is to be utilised to further British Exports (70%) and team games (30%) or in a manner determined by the Trustees. The balance held at 31st July 2020 on this fund was £384k (2019: £354k).

Most other funds in this category are specific prize funds, bursary or scholarship funds of a specific nature.

Foundation Endowment Funds

Foundation Capital- This represents the permanently endowed funds of the Foundation. These funds originate from the original endowment which was effectively given to the Foundation in 1867 and subsequently, under various Schemes of Arrangement made by the Charity Commission. These monies originate from the Parish of St Dunstan’s in the East in the City of London. They are represented by an endowed investment portfolio and property. The Trustees utilise these funds to make improvements to the endowed property in accordance with the originating Schemes of Arrangement.

Legacies: These represent the balance of various legacies which have been given to the Foundation.

Prize and Other Funds: These are other funds given to the Foundation generally via way of legacy or bequest.

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

18 b TRANSFERS

Transfers between the various funds were as follows:

| | Unrestricted funds 31 July 2020 | | Endowment funds 31 July 2020 | |
|---|------------------------------------|------------------|---------------------------------|---------------|
| | College £k | Other £k | College £k | Total £k |
| Additions to Endowed Property | (8,511) | | 8,511 | |
| Depreciation Adjustments to Endowed Property | 446 | 34 | (480) | - |
| Write off of Endowed Property | 19 | - | (19) | - |
| Additions to Endowed Investments | - | (127) | 127 | |
| Recoupment Order | <u>10,540</u> 2,494 | <u>=</u> (93) | <u>(10,540)</u> (2,401) | <u>=</u> - |

The transfers above represent:

- The value of additions to tangible fixed assets which are situated on endowed land
- The depreciation of endowed tangible fixed assets, the expense for which is transferred from unrestricted funds to endowed funds
- The value of tangible fixed assets on endowed land that were written off during the year
- The purchase of endowed investments from unrestricted funds
- The value of the recoupment order (see note 27)

19 CONTRACTS AND COMMITMENTS

At 31 July 2020 the charity had capital commitments totalling approximately £12,358k (2019: £504k).

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

20 OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases for equipment and the Junior School temporary building are as follows:

| As lessee | 2020 | 2019 |
|----------------------------|-------------|-------------|
| | £k | £k |
| Amounts due: | | |
| Within one year | 82 | 91 |
| Between two and five years | <u>133</u> | <u>22</u> |
| | <u>215</u> | <u>113</u> |
| As lessor | | |
| Amounts due: | | |
| Within one year | 42 | 41 |
| Between two and five years | <u>169</u> | <u>=</u> |
| | <u>211</u> | <u>41</u> |

The rental received as lessor relates to a property known as Fordmill Road Depot. It was let from 1st August 2020 on a five year lease.

for the year ended 31 July 2020

The carrying amounts of the Charity's financial instruments at 31st July were as follows

As explained in the accounting policies, the College operates four different pension scheme arrangements.

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

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

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. A consultation was launched by the government on 16 July 2020 and closed to responses on 11 October 2020.

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 the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are 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.

Group Personal Pension Scheme

Under the terms of the new St Dunstan's Educational Foundation Group Personal Pension Scheme ("the Scheme"), which is open to all of the College's non-teaching employees, the College matches employees' contributions (at a rate of 3%, 5%, 6% or 7%) to his or her own individual policy with the Scheme provider, Phoenix AMP (formerly AMP/NPI). The Scheme was revised in the year 2000 to comply with Government legislation. Due to poor investment returns on this type of policy, the Governors decided that the Foundation would allow non-teaching staff to join the Independent Schools Pension Scheme (ISPS), with effect from 1 February 2004. Most former members of the scheme have transferred to ISPS.

Employer contributions payable to the Scheme in the year amounted to £1k (2019: £1k).

Independent Schools, Pension Scheme ("ISPS")

The Charity participates in the ISPS Pension Scheme.

The ISPS Pension Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme. A number of benefit structures are available. The Foundation has opted for final salary with a 1/80th accrual rate.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period ended 31 July 2020 there has been a joint contribution rate of 23.1% comprising employer contributions of 14.1%% and member contributions of 9%.

As at the balance sheet date there were fifteen active members of the Scheme employed by the Foundation.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the scheme assets are co-mingled for investment purposes and benefits are paid from the total scheme assets.

The last full actuarial valuation of the Scheme was performed as at 30 September 2017 by a professionally qualified actuary using the "projected unit method". The market value of the scheme's assets at the valuation date was £149.4m. The valuation revealed a shortfall of assets compared with the value of liabilities of £38.2m, equivalent to a past service funding level of 80%.

The financial assumptions underlying the valuation as at 30 September 2017 were as follows:

| | |
|-------------------------------|-------------|
| | % pa |
| Discount rate pre-retirement | 4.21 |
| Discount rate post-retirement | 2.26% |
| Pensionable earnings growth | CPI – |
| | 2.45% |
| | |
| Rate of price inflation | RPI – |
| | 3.35% |
| | CPI – |
| | 2.45% |

The valuation was carried out using the SAPS (Self-Administered Pension Scheme) Series 2 all pensioners by amounts tables with a scaling factor of 57% pre-retirement and 86% post retirement. The latest release of the Continuous Mortality Investigation Bureau projections, known as 'CMI_2013' were used for mortality projections with long term improvement rates of 1.5% per annum for males and 1.25% per annum for females being used. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

| | Males | Females |
|----------------|---|---|
| | Assumed life expectancy in years at age 65 | Assumed life expectancy in years at age 65 |
| Non-pensioners | 26.1 | 27.4 |
| Pensioners | 23.8 | 25.5 |

The long-term joint contribution rate (i.e. employer and employee contributions) was assessed at 21% prior to 1 September 2017, then 27.3% for the 1/80th scheme.

Following consideration of the results of the Scheme's 2017 actuarial valuation it was agreed that the shortfall of £38.2 million would be dealt with by the payment of deficit contributions of £2.4 million per annum from 1 September 2019. These deficit contributors are in addition to the long-term joint contribution rates.

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

Under FRS 102 the Charity has been required to bring the past deficit contributions in to its balance sheet as a liability and charge past deficit contributions in the year against that liability. The movements on this provision are fully explained in note 23.

If the valuation assumptions are borne out in practice the pattern of contributions should be sufficient to eliminate the part service deficit, on an ongoing funding basis, by 30th April 2030.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The Scheme Actuary has estimated the employer debt that would have been payable if the employer had withdrawn from the Scheme at 30 September 2014 would have been £4m. The Foundation does not see a situation where it would withdraw its employees from participating in one of the pension options on offer from TPT Retirement Solutions and therefore it is highly unlikely that a debt on withdrawal liability would arise.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt. The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Employer contributions during the year excluding past deficit contributions amounted to £60k (2019: £51k).

Former members of the 1/60th Defined Benefit Scheme were offered the opportunity to transfer in to a 1/80th Defined Benefit with contribution rates of 9% for the employee and 14.1 % for the employer with TPT following the 2014 actuarial valuation. Employer contributions for the year ended 31st July 2021 are estimated at £53k (2020: £63k).

The Scheme offers a Growth Plan as an additional voluntary contribution vehicle for members. The Charity does not participate in the Plan, no members make additional voluntary contributions. The Charity has been informed by the ISPS that it has no employer debt in relation to the Growth Plan.

ISPS -Defined Contribution Scheme (Auto Enrolment)

With effect from 1st April 2014 the Foundation was required to enrol members of its staff not currently in a pension scheme, in to a defined contribution scheme. The Foundation has used the Scheme provided by ISPS to meet its obligations under the auto-enrolment regulations. Employers and Employee rates are currently set at 1%, with certain employees entitled to increase their employee contributions, with matching contributions from the Foundation of 10%. During 2014 employees of College Hire Limited also became entitled to join the Scheme. At the balance sheet date there were 84 (2019: 70) members active in this Scheme. During the year ended 31st July 2020 the Foundation has contributed £86k to this Scheme (2019: £58k).

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

23 DEFINED BENEFIT PENSION SCHEME LIABILITY

The Foundation as explained in note 22 is required under FRS 102 to account for its share of the funding deficits on the ISPS Scheme valuations as identified by the 2014 and 2017 valuations of this multi-employer Final Salary Scheme.

The movements on this provision have been as follows:

| | Consolidated and Foundation | |
|------------------------------------|------------------------------------|-------------|
| | 2020 | 2019 |
| | £k | £k |
| Liability at 1st August 2019/ 2018 | 939 | 853 |
| Interest expense | 12 | 16 |
| Deficit contributions paid | (80) | (74) |
| Impact of change in assumptions | 17 | 38 |
| Amendment to contribution schedule | - | 106 |
| Liability at 31st July 2020/ 2019 | <u>888</u> | <u>939</u> |

The above deficit contributions and provision have been calculated and provided to the Foundation by TPT Retirement Solutions (formerly The Pensions Trust).

The provision and deficit contributions take in to account relevant discount rates and bond yields. The recovery plan for the Scheme is aimed at eliminating the funding shortfall by 31st August 2030.

Deficit contributions from 1st September 2018 were £6,186 per month until 1 September 2019 when these rose to £6,744 per month. The deficit contributions will rise by 3% each year from 1 September 2020.

24 RELATED PARTY TRANSACTIONS

The Foundation's transactions with its wholly owned subsidiary College Hire Limited and balances owing were as follows.

| Summary of account | 2020 | 2019 |
|--|-------------|-------------|
| | £k | £k |
| Balance owing at 1 st August 2019/ 2018 | 113 | 54 |
| Recharges from Foundation to company | | |
| Salaries and direct costs | 14 | 14 |
| Expenses | 24 | 52 |
| Provision of services by company to Foundation | - | (52) |
| Money transfers including gift aid | (45) | - |
| Gift Aid payable | = | <u>45</u> |
| Balance owing at 31 st July 2020/ 2019 | <u>106</u> | <u>113</u> |

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25 AGENCY ARRANGEMENT

The College has an agency arrangement with the Friends of St Dunstan's (FSDC) to hold monies on their behalf. FSDC is a Committee of parents who organise social events for the benefit of pupils and parents of the school. At 31 July 2020 the College held £34k (2019: £37k). The cash is held in the College bank account. This is a long standing arrangement which helps FSDC to undertake their activities which are all ultimately undertaken for the benefit of pupils of the school.

26 CONTINGENT LIABILITY

In December 2019 HMRC determined that College Hire Ltd was not an 'eligible body' for an exemption under VAT Act 1994. If College Hire Ltd were not an 'eligible body' the estimated amount of VAT owed to HMRC at the balance sheet date is approximately £260k. The Directors of College Hire Ltd, following expert advice from RSM UK Tax and Accounting Limited, disagree with HMRC's conclusion and, as this obligation is not considered probable in their opinion this amount has not been recognised as a liability in these financial statements. The Directors of College Hire Ltd have therefore appealed HMRC's decision.

27 CHARITY COMMISSION RECOUPMENT ORDER

The following recoupment order is reflected in the financial statements at 31 July 2020:

| Date of Order | Capital Sum | Amount Outstanding | Method of Recoupment | Last Payment Year |
|---------------|-------------|--------------------|--|-------------------|
| | £k | £k | | |
| 4 Aug 2020 | 10,540 | 10,540 | £472k per annum for a period of 50 years | 2070 |

The Commission has authorised the Trustees to spend the sum of not more than £23.6m from the charity's permanent endowment for the purpose of constructing the new JS/ STEM building. At 31 July 2020 the capital sum of the recoupment order is £10,540k.

28 ANALYSIS OF CHANGES IN NET DEBT

Consolidated

| | At 1 Aug 2019 £k | Cash flows £k | At 31 Jul 2020 £k |
|----------------------------------|---------------------|------------------|----------------------|
| Cash and cash equivalents | | | |
| Cash | <u>4,063</u> | <u>(513)</u> | <u>3,550</u> |
| | 4,063 | (513) | 3,550 |
| Borrowings | | | |
| Debt due within one year | (46) | 14 | (32) |
| Debt due after one year | <u>(154)</u> | <u>(6,223)</u> | <u>(6,377)</u> |
| | (200) | (6,209) | (6,409) |
| TOTAL | 3,863 | (6,722) | (2,859) |

St Dunstan's Educational Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

28 ANALYSIS OF CHANGES IN NET DEBT (C)

Foundation

| | At 1 Aug 2019 £k | Cash flows £k | At 31 Jul 2020 £k |
|----------------------------------|---------------------|------------------|----------------------|
| Cash and cash equivalents | | | |
| Cash | <u>3,815</u> | <u>(301)</u> | <u>3,514</u> |
| | 3,815 | (301) | 3,514 |
| Borrowings | | | |
| Debt due within one year | (46) | 14 | (32) |
| Debt due after one year | <u>(154)</u> | <u>(6,223)</u> | <u>(6,377)</u> |
| | (200) | (6,209) | (6,409) |
| TOTAL | 3,615 | (6,510) | (2,895) |