St Dunstan's Educational Foundation

CONSOLIDATED
FINANCIAL STATEMENTS

for the year ended

31 July 2018

Charity Registration No: 312747

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 Peter Coling	Chairman (re-appointed 16th March 2018)	1,2,3,4,5,6
Mr Ian Davenport	Deputy Chairman	1,2,3,4,5,6
Mrs Shahnaz Ahmed		1
Mrs Victoria Alexander	(re-appointed 16th March 2018)	1, 6
Dr Yvonne Burne		1,2
Ms Judy Clements		5,6
Mr Paul Durgan		4
Mrs Linda Kiernan	(re-appointed 16th March 2018)	1
Professor Paul Leonard		1
Alderman Nicholas Lyons	(appointment 1st December 2017)	4
Mr Ken Marshall		4,5,6
Revd Bertrand Olivier	(resigned 1st December 2017)	1
Mrs Sarah Musgrove Sanders	(resigned 16th March 2018)	4,5
Mr David Probert	(appointment 1st December 2017)	5,6
Miss Diane Robertshaw		
Mr Shams Rahman		5,6
Mr Navdeep Sheera		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		
# The newly created Leadership and Governance Committee held its first meeting on 16th November 2018		

SENIOR STAFF

Mr N Hewlett	Headmaster
Mrs C Wilkins	Bursar and Clerk (appointed 1st September 2017)
Mr P Cozens	Head of the Junior School
Mr A Johnson	Deputy Head Academic
Mrs A Waite	Deputy Head Pastoral
Colonel N Wallace	Bursar and Clerk (retired 31st August 2017)

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. Senior staff members across the College are invited to attend any relevant Governors' meetings as necessary.

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

SOLICITORS

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

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

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

ST DUNSTAN'S EDUCATIONAL FOUNDATION

TRUSTEES' REPORT

for the year ended 31 July 2018

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 2018.

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 on 16th July 2014 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 last amended in 1994. The Foundation is an unincorporated association. 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 fully 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 and officers of the Foundation. For the future, however, the Clerk to the Governors has set in place an arrangement with a trustee recruitment agency that may be used to locate and recruit appropriate Governors as and when the need arises.

Appointment of New Governors

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 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 the new trustee. In addition all Trustees attend a study period once a year to receive presentations on key issues affecting the Foundation and the sector and to give them an opportunity to make strategic decisions about future direction and policy.

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 and legal and accounting firms.

Strategic direction of the Foundation is exercised by the Governing Body; they delegate detailed consideration of the management of the College to the various Committees. All Trustees attend meetings of the Governing Body, which take place at least once in each school term, three meetings a year. At these meetings Governors make strategic decisions about future direction and policy. 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 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 are members of 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 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

The day-to-day operations of the College are delegated to the CLT. Their pay 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 continually monitors remuneration and pay packages within the independent school sector. A full and thorough pay review was carried out by the Headmaster and the Bursar between May and September 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. 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 College. Detailed considerations of risk 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 Leaders and Middle Managers; the Inspection and Compliance Committee, which includes Senior Leaders, and the Governor Risk and Compliance Committee. The risk register groups potential risks into four sections: strategic and reputational risks; operational risks; compliance risks and financial risks. Current areas of focus for the Foundation include financial uncertainties, property health and safety and student welfare. A formal review of the Health and Safety Policy is undertaken by the Foundation's Risk and Compliance Committee annually.

OBJECTIVES AND ACTIVTIES

Our Aims

The Principal Object of The Foundation is to provide and conduct in or near Lewisham, a day school for boys and girls. The College Vision is a statement of the overarching strategic objective for the education at work within the College. It is formulated by the Foundation, to guide all the educational and operational planning within the College. A review of the College's vision in 2017 led to an updated statement; to inspire, nurture and challenge young people to develop the knowledge, skills and interests that shape their educational journey, character and aspirations.

It is our aspiration that, through an innovative approach to the fulfilment and embellishment of these aims, 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 is fundamental in underpinning the focus of the College's educational development. The annual College Development Plan stems from ongoing and specific periods of self-evaluation and reflection. The Plan drives and guides everything that is undertaken across the course of any one year. All development plan priorities within any one year are intrinsically linked to the fulfillment of our aims and values, which in turn drive the impact on pupil development and 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.

The College is now in the final year of a three year development plan cycle. Eight main objectives were set for this 2017 – 20 period and are as follows:

1. To achieve consistent teaching excellence through a culture of peer to peer collaboration, active research and imaginative professional development;
2. To maximize learning potential throughout the College through an academic culture of pupil responsibility, resilience, independence and active engagement;
3. To build systems and cultures of assessment and tracking that are robust, consistent and drive achievement;
4. To develop a modern, flexible and future-proofed curriculum that supports pupil aspirations and delivers skills and choices for life beyond school;
5. To ensure that the co-curricular programme is as ambitious in outcome as it is inclusive and broad ranging;
6. To further develop a joined-up approach to pastoral care, its communication and records;
7. To enrich our domestic and international community presence, communication and integration; and
8. To develop an infrastructure and culture that allows for computing and technology to optimize the efficiency and quality of the education we offer.

Following the arrival of the new Bursar in 2017 an additional set of Bursary objectives were agreed for the period 2018-2020.

Bursary Priorities:

1. To develop excellence in the administrative and technical support offered to all members of the community;
2. To develop safe and inspiring environments for all members of the community to learn and work within;
3. To develop effective and efficient systems for financial management, monitoring and communication;
4. To generate additional sources of income through effective marketing and fundraising; and
5. To develop positive relationships with local and international communities by sharing resource and expertise.

As a result of this development plan, we aim for quantifiable improvement within our Key Performance Indicators (KPIs):

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

It is our hope that this plan will enable us to:

- Provide continuing support for our pupils already in receipt of fee assistance through bursaries;
- Increase the provision of means tested bursary places to at least 6% of our September 2019 intake;
- Develop community service and public benefit initiatives and, in particular, to:
    - Further develop our links with local maintained schools;
    - Further develop links with the most vulnerable in the community;
    - Play our part in the life of our local community through our community access and service programmes;
    - Further develop and foster links with former pupils and The Dunstonian Association.

Our Ethos, Strategy and Policies

Our Governors are responsible for setting a strategy and for monitoring the achievement of the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education our College provides. In taking forward our strategy we:

- Question the effective fulfilment of the College Development Plan;
- Review and benchmark the College's academic syllabus, teaching practices and examination results rigorously;
- Ensure the range of co-curricular activities available to our pupils is stimulating and challenging;
- Invest in buildings, technology and the infrastructure of the College;
- Co-operate and share resources with local schools; and
- Continue to review and develop our methods for awarding bursaries and scholarships to ensure wider access to pupils from all backgrounds.

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 and parents that potential pupils can cope with the pace of learning and benefit from the education we provide.

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.

The Foundation is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. Parents are given regular information about their children's social and academic progress through parent evenings in addition to ongoing reports on learning attitudes and attainment. The College believes in rigorous monitoring of pupil progress and achievement, in early intervention and in timely communication with parents. We maintain regular contact with parents throughout the year through informal contacts, our newsletter and website. Pupils have a Form Tutor responsible for pastoral care and academic development.

The College has now established a Wellness Centre, which serves as a centre for child mental and physical wellbeing. Through this Centre, a counselling service for pupils is available from external and internal providers, there is a Chaplaincy Office, a College Nurse and First Aid team, as well as a thriving peer mentoring programme.

Access Policy

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.

Community Links

The College is part of a wider community and it strives hard 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 has recently become 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 are 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 all 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 between 5% and 50%. 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:

	2017/18	2016/17
Junior School	328	327
Senior School	603	576
Total	**931**	**903**

Details of Bursary and Scholarship Awards

Bursaries

This year the value of means tested bursaries, that were accepted, totalled £580,457 (2017: £721,306) and represented 4.0% (2017: 5.3%) of our gross fees. They provided assistance to 74 (2017: 105) of our pupils, of which 4 (2017: 2) pupils benefitted from a full remission of fees.

Scholarships

In addition, the School awarded scholarships to 172 pupils (2017: 133), based on their educational merit and potential. Of this number, 23 (2017: 21) 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 £619,562 (2017: £496,948) or 4.3% (2017: 3.7%) of gross 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.

Review

The Foundation awarded scholarships, bursaries and prizes to the value of £1,310,294 (2017: £1,304,714). Of these £21,792 (2017: £19,329) were made from restricted funds. The Governors reviewed their bursary and scholarship awards policies at their annual Study Period in June 2018, with a view to increasing the value of bursary awards that are accepted from September 2019, from 4% to 6% and reducing the number of scholarships from 6% to 4%. We anticipate this change will help ensure the objective of wider access continues to be achieved, however the number of bursaries which are accepted fluctuates.

Examination Results

GCSE:

- 60.3% (2017: 55.7%) of grades awarded were an A* or A (9, 8 or 7)
- 82.4% (2017: 80.4%) of grades were A* to B (9, 8, 7 or 6)

A Level

- 54% (2017: 40%) of grades awarded were A*-A
- 85% (2017: 72%) of grades awarded were A* to B
- 100% of pupils passed at A*to E grades (2017: 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 huge 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 impressive 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. 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. In addition, during the summer, 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.
- 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 chairs the Fundraising Committee, and as part of that partnership the College has had various exchanges with students. The Geography Department has established a particularly mature partnership where it now runs regular exchanges with groups of students, spending time in each other's schools, learning and working together. Most recently, ten Geographers from the Academy came to us to share a day of teaching, a lecture on hazard management, and a discussion seminar about applying to study Geography at university.
- There is a strong link between the College's CCF and local state school, Platanos College. Their students have formed part of our Contingent and some of their staff help serve and work with our staff in running the cadet activities, to the mutual benefit of both sets of students.
- We have recently developed a close link with another of our local state schools, Bonus Pastor School, where we consider any possible bursary and scholarship candidates for access to our Sixth Form but also look at other ways in which we might be able to support them; recent discussions have considered ways in which our new Wellness Centre and Mental Health First Aid training might be offered to staff at this school.

The Arts

- Community links through the Arts have become an important feature of College life. The Annual Summer Festival has this year taken on a far greater community presence, opening up a number of events to the local community.
- 12 students took part in the Arts Festival intergenerational drama project. The students worked with a local drama group and created their own production.
- A Community Choir was set up in 2016 which is open to parents, alumni and friends of the school. Chapel Choir and SDC Voices provide regular enhancement of community worship, singing at Southwark Cathedral, All Hallows by the Tower and St Augustine's Church.
- St Dunstan's served as a centre for external candidates for ABRSM music exams last year.
- We offer many free tickets to local charities in the community for dress rehearsals of our major drama and musical performances.

Sport

- Over 13,000 hours of football hire was made available to the public on our synthetic sports pitches with over 1,000 children attending free community football events across the year and in partnership with Dalmain FC. Free pitch hire has been offered to Lewisham's district and Lewisham's London Youth Games football squads as well as to Catford and Lewisham police units.

- A number of local over 50's regularly attended the free walking football sessions held weekly at the Jubilee Ground.
- Our partnership with Super Camps delivered holiday activity camps spaces for 2,866 children from the local area.
- St Dunstan's has entered its third year of support for the MCC Community Cricket Hub offering local children 13 weeks of free cricket coaching and pathways. This national scheme seeks to identify and nurture talented cricketers and is open to all state school pupils in the area. The Lewisham Schools Cricket Tournament runs annually in June with ten local schools competing for the St Dunstan's Cup and the Jubilee Ground also hosted Kent CC U13 Kent Pathway Performance sessions for local cricketers.
- Lewisham Girls Rugby U13, U15 and U18 hold their annual competitions at the Jubilee Ground, which also hosts Lewisham's tag rugby league at primary level and rugby training for Lewisham primary and secondary school staff.

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.
- The Youth Volunteering Programme today offers 22 activities to pupils. In total, 289 students from all year groups were involved in the Youth Volunteering Programme. In total they volunteered for 6,705 hours.
- We have partnerships with 11 different local organisations, including charity shops, care homes and community centres. We also launched projects with Catford Bridge Station and Barratt London. As part of these partnerships, students made regular visits to care homes organising games and social activities. Other students helped children with their reading skills at a local primary school. Two sixth former gave weekly Spanish lessons in a local community centre whilst another two students worked on a long-term IT project which involved creating the community centre's website.

Charity

- The Charity Committee is part of our student voice initiative and, with two members of staff to help with communication and administration, it is the students who decide which charities we are supporting and the events held to raise the funds.
- In the academic year 2017/18 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 £12,121 supporting the work of a range of local, national and international charities.

FINANCIAL REVIEW

As in 2016/17, the Foundation has achieved a very sound performance in 2017/18 primarily as a result of a continued increase in pupil numbers and a modest growth in the value of investments.

These financial statements cover the year ended 31 July 2018.

The College's fees receivable, including grants from the Foundation, for the year amounted to £13,288,643 (2017: £12,439,722), representing a 6.8% increase over the previous twelve months. The Foundation achieved an operating surplus of £903,232 (2017: £953,800). In overall terms, the Foundation's funds have increased during the year by £1,231,197 (2017: £1,193,135), reflecting a very sound performance in an uncertain economic climate. The value of investments increased during the year by £396,486 (2017: increase of £81,458).

College Hire Limited achieved a profit of £396 (2017: £25,493) which was then paid as gift aid to the Foundation.

Note 16 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

The Governors are unaware of any factors which would impact on the Charity being treated as a going concern. The Charity has recorded significant surpluses for many years and demand for places at the College has been increasing at a steady rate. In 2018/19 there are 911 pupils in the school and in 2019/20 all indications are that the pupil roll will be between 920 and 940. Popularity for 11+ entry has been increasing and registrations have risen by 90% between 2013 and 2018, however, as the academic selection criteria has become more robust the conversion rate from registration to offer has reduced. Detailed market research was completed during 2018 which reports 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.

INVESTMENT PERFORMANCE

Governors are delighted that the funds have performed well against targets and remain confident that their strategy is the correct one to meet the needs of the Foundation going forward. During the year the Investments Committee reviewed their instructions to UBS Wealth Management on the investment of all funds under management and reconfirmed their instructions on all funds. 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 3.7% (2017: 4%) was achieved on invested funds which are managed by UBS Wealth Management. It is anticipated that the rate of investment return in 2018/19 will be around 3.2%.

There was a 4.9% increase (2017: 8.8% increase) in the FTSE 100 index over the year. The Foundation achieved a 3.0% increase in the value of investments. In 2017 the Foundation achieved a 4.8% increase in the value of investments after adjusting for the reduction of £1.0 m invested in the portfolio in the year which was withdrawn to buy an investment property on the perimeter of the Stanstead Road site in April 2017.

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.

PRINCIPAL RISKS AND UNCERTAINITIES

An Inspection and Compliance Committee was established in 2018 which consists of senior leaders across all areas of the Foundation. The group meets six times a year and updates 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 future risks are assessed along with the measures required to reduce the likelihood or mitigate the impact. The main concerns currently highlighted include:

- Financial uncertainty as a consequence of political turbulence
- A loss of pupil numbers arising from either internal or external factors leading to a major loss of fee income
- A failure to comply with legislation including safeguarding regulations, health and safety guidance leading to bad publicity or financial penalty
- Air pollution, particularly affecting the Pre Prep playground

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

In order to address the risk of 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 College has a clear marketing strategy in place to celebrate the all-round success of our pupils to ensure the continued popularity of the College. The CLT continues to review and update a comprehensive development plan to ensure that the academic, pastoral and extracurricular offering to students is of the highest quality. The Foundation continues to review all policies and procedures, in line with a robust policy review cycle. The Foundation continues to engage with a range of external experts. During the past year the College has completed work in response to a number of health and safety reviews and GDPR. Additional trees have been planted on the College site to address concerns around air quality and green screens and mechanical ventilation are being sourced.

RESERVES AND RESERVES POLICY

At 31st July 2018, the Charity had total reserves of £22,632,270 (2017: £21,401,073). Of these reserves £1,050,792 (2017: £1,027,184) 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 £12,905,957 (2017: £12,934,080) at 31st July 2018. These 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. In accordance with good governance the Trustees have always sought approval to use these funds. The balance of reserves are "Unrestricted". The Charity had no designated reserves at 31st July 2018.

Free reserves are defined by the Charity Commission as total funds less endowment, restricted and designated funds and income funds which could be realised by disposing of tangible fixed assets. At 31 July 2018, the Foundation had unrestricted funds of £8,675,521 represented by operational fixed assets of £6,076,556 and free reserves of £2,598,965.

The Governing Body established a new strategy for the Foundation at their 2018 Study Period, which included a significant master plan for property development to the value of circa. £25m. This ambitious plan focuses on three main areas of 1) refurbishment of the existing historical buildings, 2) refurbishment and enhancement of the leisure facilities and 3) a new Junior School, STEM Block and 6th Form Hub. A temporary working party has been established to consider ways of generating the funds required to successfully deliver these projects.

The primary use of additional unrestricted funds generated over the period of the plan will therefore be to provide funds for the new projects and refurbishments.

The Governors continue to accumulate free reserves for the following purposes, in line with their reserves policy:

- To achieve a margin of working capital equal to one term's expenditure of £2.5 million to enable all aspects of the Foundation's work to be conducted in an orderly and efficient manner; and

- To achieve a liquid reserve of £1.2 million to provide cover for unexpected but unavoidable items of expenditure, which cannot be funded from current income.

PLANS FOR FUTURE PERIODS

As set out in the Objectives and Activities section of this report the College's main objectives align with the Foundation's vision for the future.

Strategic

Priorities, established by the Strategic Working Party and ratified by the Full Board at Eastbourne 2018.

1) To fulfil the purpose and objects of the Charity in such a way that ensures legislative compliance, best practice and clear public benefit

2) To ensure progress is made in the fulfilment of the academic mission of the College

3) To future proof the quality of education through ensuring:

a. effective and accountable operational leadership
b. the development and enhancement of facilities through an agreed property master-plan

4) To ensure outstanding strategic leadership through:
   a. high and consistent expectations of all Governors
   b. transparent and consistent procedures for the review of leadership within the Governing Body and its effective succession planning

5) To increase revenue for the Charity by developing plans for:
   a. expanding the College roll
   b. developing international partnerships
   c. enhancing the development office and links with alumni
   d. enhancing business opportunities
   e. developing commercial property

6) Future proofing the Charity against changes to the political and economic landscape by enacting procedures for:
   a. regular and on-going market research
   b. financial modelling of future scenarios
   c. robust use of the Charity's risk register

When considering the Foundations 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 will see the refurbishment of the history classrooms as well as the Jubilee Pavilion and the redevelopment of the Foundation's property in Blythe Hill.

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

The Foundation has not actively sought to raise funds from the public and as such as not employed the assistance of any professional fundraisers or had fundraising carried out on its behalf. There have been no complaints with regards to fundraising in the year.

The Foundation has ambitious plans for property development in the coming years and as such will be reviewing the fundraising efforts and will ensure that these confirm to recognised standards.



Mr Ian Davenport

On behalf of the Governors:

Date: 15th March 2019

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.

Opinion

We have audited the financial statements of St Dunstan's Educational Foundation (the 'charity') and its subsidiaries (the 'group') for the year ended 31 July 2018 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 2018 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 Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 Governors' 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 14, 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

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 2019

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

for the year ended 31 July 2018

	Note	Unrestricted Funds: College plus College Hire Limited	Unrestricted Funds: Other	Restricted Funds	Endowment Funds	Total 2018	Total 2017
		£	£	£	£	£	£
INCOME from							
Donations and Legacies	5	60,000	225	74,355	-	134,580	83,486
Charitable activities							
School fees receivable	2	13,288,643	(128,208)	(21,792)	-	13,138,643	12,289,722
Other educational income	3	336,121	-	-	-	336,121	327,114
Other ancillary income	3	73,974	-	-	-	73,974	87,178
Other trading activities							
Leisure club		207,133	-	-	-	207,133	178,065
Nursery		247,088	-	-	-	247,088	-
School facility lettings		378,798	-	-	-	378,798	333,043
Investments	4	6,674	454,064	12,814		473,552	472,069
TOTAL INCOME		14,598,431	326,081	65,377	-	14,989,889	13,770,677
EXPENDITURE on							
Cost of raising funds							
Financing costs	7	195,957	-	-	-	195,957	216,772
Leisure club, Nursery & Lettings	7	855,966	-	-	-	855,966	520,260
Investment management fees	7	-	35,483	-	-	35,483	21,343
Charitable activities							
School operating costs		12,897,093	51,775	50,383	-	12,999,251	12,058,502
TOTAL EXPENDITURE		13,949,016	87,258	50,383	-	14,086,657	12,816,877
NET INCOME BEFORE INVESTMENT GAINS	8	649,415	238,823	14,994	-	903,232	953,800
Gains on investment assets							
Realised		-	199	-	66,993	67,192	63,001
Unrealised		-	122,152	8,614	116,007	246,773	169,334
NET INCOME		649,415	361,174	23,608	183,000	1,217,197	1,186,135
Transfers between funds	17b	181,668	29,455	-	(211,123)	-	-
Actuarial gain/(loss) on defined benefit pension scheme	22	14,000	-	-	-	14,000	7,000
NET MOVEMENT IN FUNDS		845,083	390,629	23,608	(28,123)	1,231,197	1,193,135
RECONCILIATION OF FUNDS							
Total funds brought forward at 1st August 2017		5,968,282	1,471,527	1,027,184	12,934,080	21,401,073	20,407,938
Total funds carried forward at 31st July 2018		6,813,365	1,862,156	1,050,792	12,905,957	22,632,270	21,401,073

Notes on pages 21 to 43 form part of these accounts.

St Dunstan's Educational Foundation

BALANCE SHEETS

as at 31 July 2018

	Notes	Consolidated 2018 £	Consolidated 2017 £	Foundation 2018 £	Foundation 2017 £
FIXED ASSETS					
Tangible fixed assets	10	11,745,626	10,138,348	11,745,626	10,138,328
Investments	11,12	13,736,806	13,340,320	13,736,807	13,340,321
		25,482,432	23,478,668	25,482,433	23,478,649
CURRENT ASSETS					
Stock		10,486	9,193	4,864	3,339
Debtors	13	481,927	511,668	496,626	492,489
Cash at bank and in hand		2,038,786	2,162,974	1,951,817	2,116,032
		2,531,199	2,683,835	2,453,307	2,611,860
CREDITORS:					
Amounts falling due within one year	14a	(3,574,355)	(3,127,617)	(3,496,463)	(3,055,622)
NET CURRENT LIABILITIES		(1,043,156)	(443,782)	(1,043,156)	(443,762)
TOTAL ASSETS LESS CURRENT LIABILITIES		24,439,276	23,034,886	24,439,277	23,034,887
CREDITORS					
Amounts falling due after one year	14b	(953,505)	(709,420)	(953,505)	(709,420)
NET ASSETS EXCLUDING PENSION LIABILITY		23,485,771	22,325,466	23,485,772	22,325,467
Defined benefit pension scheme liability	22	(853,501)	(924,393)	(853,501)	(924,393)
TOTAL NET ASSETS		22,632,270	21,401,073	22,632,271	21,401,074
FUNDS					
Unrestricted		8,675,521	7,439,809	8,467,522	7,439,810
Restricted		1,050,792	1,027,184	1,050,792	1,027,184
Endowment		12,905,957	12,934,080	12,905,957	12,934,080
TOTAL FUNDS	17a	22,632,270	21,401,073	22,632,271	21,401,074

Approved by the Governors on 15th March 2019 and signed on their behalf by:

Mr Ian Davenport
Deputy Chairman



Notes on pages 21 to 43 form part of these accounts.

St Dunstan's Educational Foundation

STATEMENT OF CASH FLOWS - CONSOLIDATED

for the year ended 31 July 2018

	Note	2018 £	2017 £
Cashflows from operating activities:			
Net cash provided by operating activities	a	2,005,020	1,527,851
Cashflows from investing activities:			
Dividends, interest and rents from investments		473,552	472,069
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(2,506,147)	(1,394,613)
Proceeds from sale of investments		1,471,158	1,028,102
Purchase of investments		(1,553,679)	(877,224)
Net cash (used in) provided by investing activities		**(2,115,116)**	**(771,666)**
Cashflows from financing activities:			
Repayments of borrowing		(14,092)	(34,092)
Net cash (used in) provided by financing activities		**(14,092)**	**(34,092)**
Change in cash and cash equivalents in the reporting period		**(124,188)**	**729,093**
Cash and cash equivalents at the beginning of the reporting period		2,162,974	1,433,881
Cash and cash equivalents at the end of the reporting period	b	**2,038,786**	**2,182,974**

a Reconciliation of net income / expenditure to net cashflow from operating activities

Net income for the reporting period (as per the statement of financial activities)	1,231,197	1,193,135
Adjustments for:		
Depreciation charges	812,918	768,953
Fixed asset impairment	-	-
(Gains)/losses on investments - unrealised	(246,773)	(169,334)
(Gains)/losses on investments - realised	(67,192)	(63,001)
Dividends, interest and rents from investments	(473,552)	(472,069)
(Profit)/loss on the sale of fixed assets	85,951	8,660
(Increase)/decrease in stocks	(1,293)	864
(Increase)/decrease in debtors	29,741	(57,538)
Increase in creditors	704,915	386,654
Increase/(decrease) in Defined Benefit Scheme liability	(70,892)	(61,473)
Net cash provided by (used in) operating activities	2,005,020	1,534,851

b Analysis of cash and cash equivalents

Cash in hand	2,038,786	2,162,974
Total cash and cash equivalents	**2,038,786**	**2,162,974**

St Dunstan's Educational Foundation

STATEMENT OF CASH FLOWS – FOUNDATION ONLY

for the year ended 31 July 2018

	Note	2018 £	2017 £
Cashflows from operating activities:			
Net cash provided by operating activities	a	1,964,993	1,563,463
Cashflows from investing activities:			
Dividends, interest and rents from investments		473,552	472,069
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(2,506,147)	(1,394,613)
Proceeds from sale of investments		1,471,158	1,028,102
Purchase of investments		(1,553,679)	(877,224)
Net cash (used in) provided by investing activities		**(2,115,116)**	**(771,666)**
Cashflows from financing activities:			
Repayments of borrowing		(14,092)	(34,092)
Net cash (used in) provided by financing activities		**(14,092)**	**(34,092)**
Change in cash and cash equivalents in the reporting period		**(164,215)**	**757,705**
Change in cash and cash equivalents at the beginning of the reporting period		2,116,032	1,358,327
Change in cash and cash equivalents at the end of the reporting period	b	**1,951,817**	**2,116,032**

a Reconciliation of net income / expenditure to net cashflow from operating activities

Net income for the reporting period (as per the statement of financial activities)	1,231,197	1,193,135
Adjustments for:		
Depreciation charges	812,898	768,087
Fixed asset impairment	-	-
(Gains)/losses on investments - unrealised	(246,773)	(169,334)
(Gains)/losses on investments - realised	(67,192)	(63,001)
Dividends, interest and rents from investments	(473,552)	(472,069)
(Profit)/loss on the sale of fixed assets	85,951	8,660
(Increase)/decrease in stocks	(1,525)	(1,089)
(Increase)/decrease in debtors	(4,137)	(34,321)
Increase in creditors	699,018	394,868
(Decrease)/Increase in defined benefit scheme liability	(70,892)	(61,473)
Net cash provided by (used in) operating activities	**1,964,993**	**1,563,463**

b Analysis of cash and cash equivalents

Cash in hand	1,951,817	2,116,032
Total cash and cash equivalents	**1,951,817**	**2,116,032**

BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN
The accounts have been prepared under the historical cost convention 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 on 16 July 2014 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 2015.

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 £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

GOING CONCERN
The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.
Pupil recruitment is very strong in all parts of the school and projections going forward are that the Charity will achieve greater surpluses going forward which will be reinvested in improving facilities in the short and long term.

Trustees consider that the Charity has sufficient resources and a strong "brand" which will enable it to withstand any volatility in the UK economy as a result of "Brexit" or indeed any other external economic factors which can be predicted at this time. Therefore, they consider it appropriate to account for the Charity as a going concern for the foreseeable future.

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.

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 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.

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.

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

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.

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.

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 (FSDC) (formerly known as the Family Society) 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.

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 2018 £	Total 2017 £
Fees receivable consist of:		
Gross fees	14,448,937	13,593,896
Less: Total scholarships, bursaries and other remissions	(1,310,294)	(1,304,174)
	13,138,643	12,289,722
Add: Contributions to fees made from the Foundation	150,000	150,000
	13,288,643	12,439,722

The figures in brackets in the Statement of Financial Activities within the Other Restricted Funds £128,208 (2017: £130,671) and Restricted Funds £21,792 (2017: £19,329) columns represent contributions made by the Charity internally towards scholarships and bursaries.

3 OTHER INCOME

	Total 2018 £	Total 2017 £
Other educational income		
Entrance and registration fees	58,144	59,200
Examination fees	63,274	69,217
After school care	65,557	67,581
Other income from pupils	149,146	131,116
	336,121	327,114
Other ancillary income		
Tuck shop	59,651	71,098
Pupil transport to school	11,688	11,762
Sundry catering income	2,635	4,318
	73,974	87,178

In 2018 and 2017 all other income is unrestricted income.

4 INVESTMENT INCOME

	Total 2018 £	Total 2017 £
Interest receivable	8,065	3,331
Rental income (investment property)	42,279	41,667
Listed investments	423,208	427,071
	473,552	472,069

The income from interest receivable totals £8,065 (2017: £3,331) of which £8,065 (2017: £2,896) was unrestricted and £ nil (2017: £435) was restricted.

All rental income is unrestricted in both years. The rental income arises from the Foundation's investment in the Fordmill Road Depot adjacent to the Jubilee Ground which was acquired in December 2014 and let from 1st August 2015.

All income from listed investments arises from stocks acquired through a UK Stock Exchange. Income totalling £410,394 (2017: £414,671) is unrestricted with £12,814 (2017: £12,400) included within restricted funds.

5 VOLUNTARY INCOME

	Total 2018 £	Total 2017 £
Donations	71,490	11,616
Legacies	63,090	71,870
	134,580	83,486

The income from donations and legacies was £134,580 (2017: £83,486) of which £60,225 (2017: £1,975) was unrestricted and £74,355 (2017: £81,511) was restricted. Income shown as legacies derives from a trust created by a former pupil in his will. The 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 pays all of its profits to the charity under gift aid. College Hire Limited operates the Leisure Club, Jubilee Nursery and hires out other facilities to the general public, charitable bodies and other hirers. A summary of the trading results is shown below. The company expanded its operations during the year and now operates a Nursery on the Jubilee Ground for children between the ages of three months and five years old.

The summary financial performance of the subsidiary alone is:

	Total 2018 £	Total 2017 £
Turnover	874,990	556,179
Cost of sales and administration costs	(874,594)	(530,686)
Net profit	396	25,493
Distribution to the charity	(396)	(25,493)
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Fixed assets	-	20
Current assets	132,517	109,969
Current liabilities	(132,516)	(109,988)
Total net assets	1	1
Aggregate share capital and reserves	1	1

7 ANALYSIS OF EXPENDITURE

	Staff costs £	Other Costs £	Depreciation £	Total 2018 £	Total 2017 £
EXPENDITURE on					
Cost of raising funds					
Leisure club and lettings	601,067	254,879	20	855,966	520,260
Financing costs	-	195,957	-	195,957	216,772
Investment management fees	-	35,483	-	35,483	21,343
Charitable activities	601,067	486,319	20	1,087,406	758,375
School operating costs					
Teaching costs	6,582,004	1,066,404	21,550	7,669,958	7,023,965
Welfare costs	-	989,492	26,953	1,016,445	995,100
Premises costs	546,790	1,287,633	764,395	2,598,818	2,348,482
Support costs	995,651	712,692	-	1,708,343	1,685,757
Donations and prizes	-	5,687	-	5,687	5,198
	8,124,445	4,061,908	812,898	12,999,251	12,058,502
	8,725,512	4,548,227	812,918	14,086,657	12,816,877

Expenditure on charitable activities was £12,999,251 (2017: £12,058,502) of which £12,948,868 was unrestricted (2017: £11,977,574) and £50,383 was restricted (2017: £80,928).

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.

	Support costs £	Governance costs £	Total £	Basis of apportionment
Staff and training costs	955,325	-	955,325	Included within school operating costs
Marketing	144,681	-	144,681	Included within school operating costs
Staff recruitment	64,858	-	64,858	Included within school operating costs
Legal and professional fees	212,792	-	212,792	Included within school operating costs
Pupil transport	49,558	-	49,558	Included within school operating costs
Office costs	290,822	-	290,822	Included within school operating costs
Administrative overheads	50,168	-	50,168	Included within school operating costs
Governance				
Staff costs	-	50,690	50,690	Apportioned 90% school operating costs and 10% to leisure club and letting
Audit and other professional fees	-	44,714	44,714	Apportioned 90% school operating costs and 10% to leisure club and letting
Meeting and other governance costs	-	14,628	14,628	Apportioned 90% school operating costs and 10% to leisure club and letting
	1,768,204	110,032	1,878,236	

8 NET INCOME FOR THE YEAR	2018 £	2017 £
This is stated after charging:		
Operating leases – equipment	43,109	88,912
Depreciation	812,918	768,953
Governors' liability insurance	1,372	2,913
Auditor's remuneration (including VAT)		
- Audit fees	43,154	36,465
- Other services	1,560	15,690
Inventories recognised as an expense	18,378	20,880

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

	2018	2017
	£	£
Wages and salaries	7,254,194	6,419,382
Social security costs	695,683	664,940
Other pension costs	775,635	751,625
	8,725,512	7,835,947

The average monthly head count was 223 staff (2017: 210 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

	2018	2017
	Number	Number
Teaching	93	87
Teaching Support	24	24
Administrative Support	48	47
Lettings	15	15
Nursery	8	-
	188	173

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 £591,255 in this financial year (2017: £587,717).

Redundancy and termination payments of £20,135 were made during this financial year (2017: nil).

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

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:

	2018 Number	2017 Number
£60,001 to £70,000	4	2
£70,001 to £80,000	-	3
£80,001 to £90,000	4	-
£90,001 to £100,00	-	1
£100,001 to £110,000	1	-
£110,000 to £120,000	-	2
£120,000 to £130,000	1	-

Contributions were made to the Teachers' Pension Scheme, of £91,982 (2017: £73,035) in respect of 7 (2017: 5) of the employees reflected above (see note 22). One of the above other employees is a member of the Independent Schools Pension Scheme, also a defined benefit scheme (see note 22). Contributions to this scheme during the year amounted to £6,653 (2017: £18,696) for this employee. The remaining two other higher-paid employees are members of the Independent Schools Pension Scheme- defined contribution scheme (see note 21). Contributions to this scheme during the year amounted to £49,156 (2017: nil) for these two higher paid employees.

The expenses of the Governors were as follows:

	2018 £	2017 £
Expenses to attend meetings (including annual conference)		
Governors –number: 16 (2017: 16)	13,961	24,106
Catering provided at meetings	1,121	636
School operating costs include:		
Unfunded pension payments	4,410	4,332

10 TANGIBLE FIXED ASSETS

	Land and Buildings	Motor Vehicles	Furniture & Equipment	Assets Under Construction	Total
	£	£	£	£	£
CONSOLIDATED					
Cost or valuation					
1 August 2017	13,449,689	173,053	2,743,280	720,338	17,086,360
Additions	1,575,844	-	352,294	578,009	2,506,147
Disposals/	(221,951)	-	(30,410)	(29,316)	(281,677)
Transfers	437,954	-	12,875	(450,829)	-
31 July 2018	15,241,536	173,053	3,078,039	818,202	19,310,830
Depreciation					
01 August 2017	5,046,158	102,259	1,799,595	-	6,948,012
Charge for the period	480,957	21,550	310,411	-	812,918
Released on disposal	(177,229)	-	(18,497)	-	(195,726)
31 July 2018	5,349,886	123,809	2,091,509	-	7,565,204
Net book values					
31 July 2018	9,891,650	49,244	986,530	818,202	11,745,626
31 July 2017	8,403,531	70,794	943,685	720,338	10,138,348
Cost or valuation					
Cost	13,461,536	173,053	3,078,039	818,202	17,530,830
Valuation	1,780,000	-	-	-	1,780,000
	15,241,536	173,053	3,078,039	818,202	19,310,830

Freehold land and buildings at valuation	
Main College building	1,700,000
(Valued by Savills, Chartered Surveyors 27 April 1994)	
Groundsman's House	80,000
(Valued by Peter Leigh, Chartered Surveyors 16 December 1996)	
	1,780,000

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 £1,502,085 (2017: £1,502,085) which is not depreciated.

10 TANGIBLE FIXED ASSETS (CONTINUED)

	Land and Buildings	Motor Vehicles	Furniture & Equipment	Assets Under Construction	Total
	£	£	£	£	£
FOUNDATION					
Cost or valuation					
1 August 2017	13,449,689	173,053	2,719,606	720,338	17,062,686
Additions	1,575,844	-	352,294	578,009	2,506,147
Disposals	(221,951)	-	(30,410)	(29,316)	(281,677)
Transfers	437,954	-	12,875	(450,829)	-
31 July 2018	15,241,536	173,053	3,054,365	818,202	19,287,156
Depreciation					
1 August 2017	5,046,158	102,259	1,775,941	-	6,924,358
Charge for the period	480,957	21,550	310,391	-	812,898
Released on disposal	(177,229)	-	(18,497)	-	(195,726)
31 July 2018	5,349,886	123,809	2,067,835	-	7,541,530
Net book values					
31 July 2018	9,891,650	49,244	986,530	818,202	11,745,626
31 July 2017	8,403,531	70,794	943,665	720,338	10,138,328
Cost or valuation					
Cost	13,461,536	173,053	3,054,365	818,202	17,507,156
Valuation	1,780,000	-	-	-	1,780,000
	15,241,536	173,053	3,054,365	818,202	19,287,156

11 INVESTMENTS

	Foundation			
	Unrestricted	**Restricted**	**Endowment**	**Total**
	£	£	£	£
Balance at 1 August 2017	6,142,435	321,674	6,876,212	13,340,321
Additions	(435)	(963)	1,555,077	1,553,679
Disposals at opening market value	(3,966)	-	(1,400,000)	(1,403,966)
Revaluations	122,152	8,614	116,007	246,773
Balance at 31 July 2018	6,260,186	329,325	7,147,296	13,736,807
Listed on the Stock Exchange	5,600,186	328,453	6,327,191	12,255,830
Properties (see note 12)	660,000	-	813,274	1,473,274
Funds held by Brokers for investment	-	872	6,831	7,703
	6,260,186	329,325	7,147,296	13,736,807

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 £10,842,019 (2017: £9,275,303). 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. This company runs the Leisure Club, a commercial nursery, and hires out other facilities to the general public, charitable bodies, the London Borough of Lewisham and other hirers. The Foundation owns 100% of the issued share capital of this company which is incorporated in the United Kingdom.

12 INVESTMENT PROPERTIES

At 31st July 2018 the Foundation had two investment properties. The first is an 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. The second is a residential property in Blythe Hill, a road adjacent to the Stanstead Road site, acquired by the Foundation in March 2017 for £813,274 (including £3,274 costs). Trustees believe this represents a fair market value for the property at 31st July 2018.

13 DEBTORS

	Consolidated		Foundation	
	2018	2017	2018	2017
	£	£	£	£
Fee debtors	111,475	37,514	111,475	37,514
Trade debtors	166,712	248,534	129,784	202,287
Sundry debtors	3,871	25,156	3,871	25,156
Prepayments	199,869	200,464	196,872	189,539
Amounts used by group undertakings	-	-	54,624	37,993
	481,927	511,668	496,626	492,489

14 a CREDITORS: DUE WITHIN ONE YEAR

	Consolidated		Foundation	
	2018	2017	2018	2017
	£	£	£	£
Fees received in advance and deposits	874,087	797,427	874,087	797,427
Trade creditors	529,339	120,239	529,339	120,239
Taxation and social security	199,712	186,121	187,692	177,423
Pensions	109,866	110,736	109,866	110,049
Accruals and deferred income	853,548	1,050,075	853,548	987,465
Other creditors	382,936	370,296	317,064	370,296
	2,949,488	2,634,894	2,871,596	2,562,899
Advance fees (see note 15)	624,867	492,723	624,867	492,723
	3,574,355	3,127,617	3,496,463	3,055,622

14 b CREDITORS: AFTER MORE THAN ONE YEAR

	Consolidated and Foundation	
	2018	2017
	£	£
Advance fees (see note 15)	939,413	681,236
Sundry creditors	14,092	28,184
	953,505	709,420

The Foundation had a guaranteed five year agreement with Chartwells to provide catering to the College until July 2015. This has subsequently been extended to 31st August 2020.

During 2015 Chartwells invested £75,156 in a walk in freezer and flooring which has been treated as a fixed asset and depreciated over 5 years. This is being written back over the life of the new contract which has been extended to 31 August 2020. Of the sum invested £14,092 (2017 £28,184) is reflecting in sundry creditors over one year and £14,092 (2017 £14,092) in creditors under one year with £14,092 (2017 £14,092) 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	
	2018	2017
	£	£
Within 2 to 5 years	-	14,092
Within 1 to 2 years	14,092	14,092
	14,092	28,184
Within 1 year	14,092	14,092
	28,184	42,276

15 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	
	2018	2017
	£	£
Within 2 to 6 years	484,545	308,321
Within 1 to 2 years	454,868	373,015
	939,413	681,336
Within 1 year	624,867	492,723
	1,564,280	1,174,059

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

	2018	2017
	£	£
Balance at 1 August 2017	1,174,059	991,235
New contracts (less repaid)	1,136,293	719,363
	2,310,352	1,710,598
Amounts utilised in payment of fees to the college	(746,072)	(536,539)
Balance at 31 July 2018	1,564,280	1,174,059

16 ALLOCATION OF THE CHARITY'S NET ASSETS

The net assets are held for the various funds as follows:

2018

Consolidated

	Fixed Assets £	Investments £	Net Current Liabilities £	Long Term Liabilities (including Pensions) £	Total £
Endowment funds	5,669,070	7,147,296	89,591	-	12,905,957
Restricted funds	-	329,325	721,467	-	1,050,792
Unrestricted funds	6,076,556	6,260,185	(1,854,214)	(1,807,006)	8,675,521
	11,745,626	13,736,806	(1,043,156)	(1,807,006)	22,632,270

Foundation

	Fixed Assets £	Investments £	Net Current Liabilities £	Long Term Liabilities/ Pension Liability) £	Total £
Endowment funds	5,669,070	7,147,296	89,591	-	12,905,957
Restricted funds	-	329,325	721,467	-	1,050,792
Unrestricted funds	6,076,556	6,260,186	(1,854,214)	(1,807,006)	8,675,522
	11,745,626	13,736,807	(1,043,156)	(1,807,006)	22,632,271

2017

Consolidated

	Fixed Assets £	Investments £	Net Current Liabilities £	Long Term Liabilities (including Pensions) £	Total £
Endowment funds	5,884,738	6,876,212	173,130	-	12,934,080
Restricted funds	-	321,674	705,510	-	1,027,184
Unrestricted funds	4,253,610	6,142,434	(1,322,422)	(1,633,813)	7,439,809
	10,138,348	13,340,320	(443,782)	(1,633,813)	21,401,073

Foundation

	Fixed Assets £	Investments £	Net Current Liabilities £	Long Term Liabilities/ Pension Liability) £	Total £
Endowment funds	5,884,738	6,876,212	173,130	-	12,934,080
Restricted funds	-	321,674	705,310	-	1,027,184
Unrestricted funds	4,253,590	6,142,435	(1,322,402)	(1,633,813)	7,439,810
	10,138,328	13,340,321	(443,762)	(1,633,813)	21,401,074

17a FUNDS

	Balance at 1 August 2017 £	*Income* £	*Expenditure* £	*Realised/ unrealised gains/ (losses)* £	*Transfers* £	*Balance at 31 July 2018* £
Unrestricted:						
College plus College Hire Limited	5,968,282	14,598,431	(13,949,016)	14,000	181,668	6,813,365
Other	1,471,527	326,081	(87,258)	122,351	29,455	1,862,156
	7,439,809	14,924,512	(14,036,274)	136,351	211,123	8,675,521
Restricted funds:						
Development Fund	89,516	415	-	-	-	89,931
Bursary Fund	275,426	-	-	4,875	-	280,301
Prize and Other Funds	662,242	64,962	(50,383)	3,739	-	680,560
	1,027,184	65,377	(50,383)	8,614	-	1,050,792
Foundation Endowed funds:						
Foundation capital	12,767,808	-	-	183,000	(211,123)	12,739,685
Legacies	11,901	-	-	-	-	11,901
Prize and Other Funds	154,371	-	-	-	-	154,371
	12,934,080	-	-	183,000	(211,123)	12,905,957
TOTAL	21,401,073	14,989,889	(14,086,657)	327,965	-	22,632,270

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.

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 190'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 2018 on this fund was £316,740 (2017: £296,072).

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.

17 b TRANSFERS

Transfers between the various funds were as follows:

	Unrestricted funds		Endowment funds		
	College	Other	College	Other	Total
	£	£	£	£	£
Additions to Endowed property	(231,675)	-	231,675	-	-
Funds transferred in compliance with recoupment orders	-	(4,545)	-	4,545	-
Depreciation adjustments to endowed property	368,621	34,000	(368,621)	(34,000)	-
Writing-off of endowed assets	44,722	-	(44,722)	-	-
	181,668	29,455	(181,668)	(29,455)	-

18 CONTRACTS AND COMMITMNETS

At 31 July 2018 the charity had capital commitments totalling approximately £420,000 (2017: £38,000).

19 OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases for equipment are as follows:

As lessee	Equipment 2018	2017
	£	£
Amounts due:		
Within one year	43,109	43,157
Between two and five years	32,296	75,404
	75,405	118,561
As lessor		
Amounts due:		
Within one year	41,411	41,411
Between two and five years	41,411	82,822
	82,822	124,233

The rental received as lessor relates to a property known as Fordmill Road Depot. It was let from 1st September 2015 on a five year lease.

20 FINANCIAL INSTRUMENTS

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

	Consolidated		Foundation	
	2018	2017	2018	2017
	£	£	£	£
Financial assets:				
Debt instruments measured at amortised cost				
Fee debtors	111,475	37,514	111,475	37,514
Trade debtors	166,712	248,534	129,784	202,287
Sundry debtors	3,871	25,156	3,871	25,156
Amounts owed to group undertakings	-	-	54,624	37,993
Investments measured at fair value				
Stock market investments	12,263,533	10,467,046	12,263,533	10,467,046
Total	12,545,591	10,778,250	12,563,287	10,769,996

Financial Liabilities:	Consolidated		Foundation	
	2018	2017	2018	2017
	£	£	£	£
Financial liabilities measured at amortised cost				
Fees received in advance and deposits	874,087	797,427	874,087	797,427
Trade creditors	529,339	120,239	529,339	120,239
Accruals	824,142	1,011,825	853,548	987,466
Other creditors	397,029	398,480	397,029	398,480
Other Financial liabilities				
Advance fees	1,564,280	1,174,059	1,564,280	1,174,059
Total	4,188,877	3,502,030	4,218,283	3,477,671

21 PENSION COSTS

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

Teachers' Pension Scheme

Introduction
The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme.

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme
Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation was carried out as at 31 March 2016, however, the report for this valuation has yet to be published. The details below therefore reflect the previous actuarial valuation carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension charge for the year includes contributions payable to the TPS of £662,971 (2017: £635,142). At the year-end £90,412 (2017: £87,774) was accrued in respect of contributions to this scheme. The estimated contribution payable by the Charity for the year ended 31 July 2019 is £723,888 (2018: £681,636).

Under the definitions set out in Financial Standards (FRS102, Section 28) Retirement Benefits, the TPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Foundation has taken the exemption in FRS102, Section 28 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Foundation has set out above the information available on the scheme and the implications for the School in terms of the anticipated rates. It should be noted that the TPS is a Government Scheme which is not asset backed. Most schools in the United Kingdom offer membership of this Scheme to their teachers and it is highly unlikely that the Foundation would be required to contribute to the deficit identified above other than by way of increased future employer contributions.

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 £1,992 (2017: £1,992).

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/ 60th 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.

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 2018 there has been a joint contribution rate of 19.4% comprising employer contributions of 10.4% and member contributions of 9%.

As at the balance sheet date there were twenty-one 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 formal 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 contribution rates that apply from 1 September 2016 have been determined by reference to the Scheme's 30 September 2014 valuation. The notes below cover the assumptions used in the 2014 valuation.

The financial assumptions underlying the valuation as at 30 September 2014 were as follows:

	% pa
Investment return pre-retirement	5.1
Investment return post retirement - non pensioner	3.3
Investment return post retirement - pensioner	3.3
Rate of salary increase	3.1 for 3 years 4.1

Pension increases.

Limited price indexation (5% Cap)	2.2
Limited price indexation (3% Cap)	2.0
Limited price indexation (2.5% Cap)	1.8
Rate of price inflation	2.2

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 19.5% prior to 1 September 2016, then 27.3%.

Having considered these rates a decision was taken by the Governors to shut this 1/60th Scheme to new members and future accrual on the grounds of affordability.

Following consideration of the results of the Scheme's 2014 actuarial valuation it was agreed that the shortfall of £37.4 million would be dealt with by the payment of deficit contributions of £2.3 million per annum from 1 September 2016. These deficit contributions will increase to £2.4 million per annum from 1 September 2019 to 30 April 2030 as a result of the September 2017 valuation. These deficit contributors are in addition to the long-term joint contribution rates.

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 22.

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 £71,999 (2017: £99,647).

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 10.4 % for the employer with TPT. The performance of this

Scheme will be monitored annually. Employer contributions for the year ended 31st July 2019 are estimated at £50,008 (2018: £76,438).

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 the year also employees of College Hire Limited became entitled to join the Scheme. At the balance sheet date there were 55 (2017: 47) members active in this Scheme. During the year ended 31st July 2018 the Foundation has contributed £32,322 to this Scheme (2017: £14,844).

22 DEFINED BENEFIT PENSION SCHEME LIABILITY

The Foundation as explained in note 21 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	
	2018	2017
	£	£
Balance at 1st August 2017	924,393	985,866
Interest expense	15,000	14,000
Deficit contributions paid	(71,892)	(68,473)
Impact of change in assumptions	(14,000)	(7,000)
Balance at 31st July 2018	853,501	924,393

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 2029.

Deficit contributions from 1st September 2017 have been £6,006 per month and these will rise by 3% from 1st September 2018. Under the September 2017 valuation the deficit contributions will rise to £80,927 per annum effective 1 September 2019 and will rise by 3% from 1st September each year thereafter.

23 CHARITY COMMISSION RECOUPMENT ORDERS

The Trustees have taken the decision to repay the following recoupment order early. The last repayment year had been 2033, but the order was fully paid before 31st July 2018.

Date of order	Capital Sum	Amount outstanding		Method of recoupment	Last payment Year
		2018	2017		
	£	£	£		
20.12.1973	131,852	-	4,545	£462 per annum to be invested together with income arising on the funds invested to date, for a period of 60 years	2033

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	**2018**	**2017**
	£	£
Balance owing at 1st August 2017/ 2016	37,993	42,062
Recharges from Foundation to company		
Salaries and direct costs	13,431	15,571
Expenses	70,956	15,203
Provision of services by company to Foundation	(41,972)	(45,071)
Money transfers including gift aid	(26,180)	(15,265)
Gift Aid payable	396	25,493
Balance owing at 31st July 2018/ 2017	54,624	37,993

In November 2017 Mr P Coling, the Chairman, retired from his directorship of Bromley Y a company and charity which provides professional counselling services to pupils of the College, as required. He is not remunerated for his role within the company. During the year ended 31st July 2018 the Foundation paid £15,960 (2017: £15,960) to the company for these services. No monies were outstanding at the 31st July 2018 (2017: Nil).

Mr S Rahman, Governor, is a partner of Edwin Coe LLP a law firm which advised the College on a legal matter. During the year ended 31st July 2018 the Foundation paid £4,800 (2017: nil) to the company for these services. No monies were outstanding at the 31st July 2018 (2017: nil)

25 AGENCY ARRANGEMENT

The College has an agency arrangement with the Friends of St Dunstan's (FSDC, formerly known as St Dunstan's College Family Society) 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 2018 the College held £26,584 (2017: £19,265). 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.