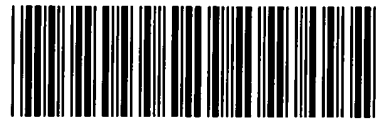


Charity Registration No. 1136362

Company Registration No. 07256996 (England and Wales)

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

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DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Mark Adrian McLaughlin David George Buckley Philip Blair
Charity number	1136362
Company number	07256996
Registered office	Durand Primary School Hackford Road Stockwell London SW9 0RD
Auditors	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS

	Page
Directors' report	1 - 2
Statement of directors' responsibilities	3
Independent auditors' report	4 - 5
Statement of financial activities	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9 - 16

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The directors present their report and accounts for the year ended 31 August 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the company's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities".

Structure, governance and management

The company is limited by guarantee and was incorporated in England on 18 May 2010 (no. 07256996) and is a registered charity no. 1136362.

The directors who served during the year were:

Mark Adrian McLaughlin	(Appointed 19 September 2014)
David George Buckley	(Appointed 27 November 2014)
Philip Blair	(Appointed 6 March 2015)
Sir Gregory Martin	(Resigned 19 September 2014)
Mr Alex Mehta	(Resigned 26 September 2014)

The number of directors should not be less than two, but (unless otherwise determined by ordinary resolution) is not subject to any maximum. The appointment is subject to any restrictions imposed by the Education Acts. A director is appointed by the company under an ordinary resolution provided that not less than two thirds of the directors support the application.

The company does not have a share capital. Every member of the company undertakes to contribute to the assets of the company, in the event of it being wound up while he/she is a member and for 12 months thereafter, such amounts as may be required, but not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

On 31 December 2014, the company became the sole member of London horizons Limited. In the event of London Horizons Limited being wound up, the company undertakes to contribute £1 to its assets.

The directors have assessed the major risks to which the company is exposed, and are satisfied that systems are in place to mitigate exposure to those risks.

Objectives and activities

The company's objects are to advance education for the public benefit, in particular the education of the pupils at Durand Academy Trust, through establishing, maintaining and developing Academies to offer a broad curriculum.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the company should undertake.

Achievements and performance

The Statement of Financial Activities on page 6 shows the results for the year.

The company received donations of £575,856 (2014: £557,470), rental income of £700 (2014: £8,400) and interest income of £1,959 (2014: £1,241). The donations received from London Horizons Limited as shown in note 2 on page 11 arose from profits generated by that company in the year.

The company incurred costs relating to its charitable activities of £516,165 (2014: £284,902) and governance costs of £387,246 (2014: £44,462).

The governance cost increase is for legal costs incurred due to a Charities Commission unmerited investigation which is on-going.

**DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

At 31 August 2015 the net book value of fixed assets was £17,138,998 and movements in tangible fixed assets are shown in note 10 to the accounts. These assets are used by the Durand Academy Trust in order to provide education and associated support services to pupils of the Durand Academy and the wider community.

During the year the company continued receiving donations from London Horizons Limited and continued paying £30,000 per month to Alderley Land Limited in respect of the loan facilities granted with the final payment made in August 2015. The purchase of St Cuthmans has now been satisfied. Durand Education Trust will allow Durand Academy Trust, hopefully in association with the Department for Education, to build a secondary school on the site and will allow the Durand Academy to run the school on the site. These aims are in line with the charitable objects of the company.

Reserves Policy

The directors review the reserve levels of the company on a regular basis and do not consider it necessary for the company to hold any substantial uninvested reserves. The reserves at the year end principally comprise of restricted fixed assets funds.

Investment Policy

The director's investment powers are governed by the memorandum and articles of association. There are currently no funds for long term investment.

Plans for the future

The company will hopefully continue to receive charitable donations from London Horizons Limited and will make these sums available to support the education of pupils within any of the sites operated by Durand Academy Trust. This support may include financial support for the boarding of pupils at the West Sussex site. The company will also play an increasingly active role in promoting the all through Academy and in seeking additional revenue sources to further enhance the education of pupils on the sites.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Citroen Wells be reappointed as auditors of the company will be put to the members.

The Directors' report was approved by order of the Board of Directors on 27 May 2016 and signed on the Board's behalf by:



Mark Adrian McLaughlin

Director

Dated: 27 May 2016

DURAND EDUCATION TRUST

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors, who also act as trustees for the charitable activities of Durand Education Trust, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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

**DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DURAND EDUCATION TRUST**

We have audited the accounts of Durand Education Trust for the year ended 31 August 2015 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors, who also act as trustees for the charitable activities of Durand Education Trust, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

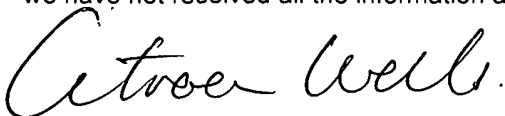
In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF DURAND EDUCATION TRUST**

Matters on which we are required to report by exception

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

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



Stephen Simou FCA (Senior Statutory Auditor)
for and on behalf of Citroen Wells

Chartered Accountants

Statutory Auditor

Devonshire House
1 Devonshire Street
London
W1W 5DR

Dated: 27 May 2016

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted fixed asset funds £	Total 2015 £	2014 £
	Notes				
<u>Incoming resources from generated funds</u>					
Voluntary income	2	575,856	-	575,856	557,470
Investment income	3	2,659	-	2,659	9,641
Total incoming resources		578,515	-	578,515	567,111
<u>Resources expended</u>					
	4				
Charitable activities					
Direct costs		266,165	250,000	516,165	284,902
Governance costs		387,246	-	387,246	44,462
Total resources expended		653,411	250,000	903,411	329,364
Net movement in funds		(74,896)	(250,000)	(324,896)	237,747
Fund balances at 1 September 2014		3,182,211	13,925,000	17,107,211	16,869,464
Fund balances at 31 August 2015		3,107,315	13,675,000	16,782,315	17,107,211

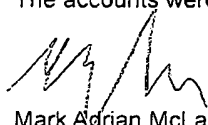
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	10	17,138,998		17,414,452	
Current assets					
Debtors	12	112,937		379,625	
Cash at bank and in hand		1,621,982		1,723,922	
		<u>1,734,919</u>		<u>2,103,547</u>	
Creditors: amounts falling due within one year	13	<u>(2,091,602)</u>		<u>(2,410,788)</u>	
Net current liabilities			<u>(356,683)</u>		<u>(307,241)</u>
Total assets less current liabilities			<u><u>16,782,315</u></u>		<u><u>17,107,211</u></u>
Funds					
Restricted funds	14	13,675,000		13,925,000	
Unrestricted funds			<u>3,107,315</u>		<u>3,182,211</u>
			<u><u>16,782,315</u></u>		<u><u>17,107,211</u></u>

The accounts were approved by the Board on 27 May 2016



Mark Adrian McLaughlin
Director

Company Registration No. 07256996

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	16	268,061	1,990,269
Net cash inflow before financing		268,060	1,988,246
Financing			
Repayment of other loan	(370,000)	(360,000)	
Net cash outflow from financing		(370,000)	(360,000)
(Decrease)/increase in cash	17	(101,940)	1,628,246

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005') and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

The accounts have been prepared on a going concern basis on the underlying assumption that London Horizons Limited will continue to financially support the company and thereby allowing it to meet its financial commitments as they fall due.

The accounts present information about the Company as an individual undertaking and not about its group, as the Company is exempt from preparing group accounts in accordance with the provisions of the Charity Regulations.

1.2 Incoming resources

All incoming resources are recognised when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Properties donated to the company are included in the accounts as income resources at the directors' estimate of the market value of those properties at the time when the gift is made.

Rental income and interest receivable are included within the statement of financial activities on a receivable basis.

1.3 Resources expended

Resources expended are recognised in the period in which they are incurred. They have been classified under headings that aggregate all costs related to that activity.

In accordance with the SORP 2005, expenditure has been analysed between the cost of the company's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

Governance costs include the costs attributable to the company's compliance with constitutional and statutory requirements, including audit, strategic management and reimbursed expenses. Such costs include both direct and allocated support costs.

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost or valuation, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from donations from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants and donations are credited to either the restricted fixed asset funds or unrestricted funds in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to their respective fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the various assets on a basis consistent with the company's depreciation policy.

Tangible fixed assets other than freehold land are stated at cost or, in the case of donated assets, at the directors' estimate of market value at the time the asset is donated, less depreciation. Depreciation is provided on the cost or valuation of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives from when they are first brought into use. The annual rates used for each class of asset are:

Freehold land is not depreciated

Freehold buildings

2% on a straight line basis

Fixtures, fittings & equipment

20% on a straight line basis

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses, if any, are recognised in the Statement of Financial Activities.

1.5 Investments

Investments in subsidiaries are included in the balance sheet at cost less provisions for permanent diminution in value.

1.6 Accumulated funds

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the company at the discretion of the directors.

Restricted fixed asset funds are resources which are to be applied for specific capital purposes imposed by the sponsor where the asset acquired or created is held for a specific purpose.

1.7 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes.

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

2 Voluntary income

	2015 £	2014 £
Donations from London Horizons Limited	<u>575,856</u>	<u>557,470</u>

3 Investment income

	2015 £	2014 £
Rental income	700	8,400
Interest receivable	1,959	1,241
	<u>2,659</u>	<u>9,641</u>

4 Total resources expended

	Depreciation £	Other costs £	Grant funding £	Total 2015 £	Total 2014 £
Charitable activities					
<u>Direct costs</u>					
Activities undertaken directly	275,455	10	-	275,465	276,502
Grant funding of activities	-	-	240,700	240,700	8,400
Total	275,455	10	240,700	516,165	284,902
Governance costs	-	387,246	-	387,246	44,462
	<u>275,455</u>	<u>387,256</u>	<u>240,700</u>	<u>903,411</u>	<u>329,364</u>

5 Activities undertaken directly

	2015 £	2014 £
Other costs relating to Direct costs comprise:		
Computer website and design costs	-	1,144
Other costs	10	60
	<u>10</u>	<u>1,204</u>

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

6 Grants payable

	2015	2014
	£	£
Direct costs	240,700	8,400
	<u>240,700</u>	<u>8,400</u>
Grants to institutions relating to Direct costs comprise:		
Durand Academy Trust	240,700	8,400
	<u>240,700</u>	<u>8,400</u>

7 Governance costs

	2015	2014
	£	£
Other governance costs comprise:		
Audit fees	9,554	6,674
Legal and professional fees	367,711	37,788
Other costs	9,981	-
	<u>387,246</u>	<u>44,462</u>

8 Directors

None of the directors (or any persons connected with them) received any remuneration during the year.

9 Employees

There were no employees during the year.

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 September 2014 and at 31 August 2015	18,400,000	127,276	18,527,276
Depreciation			
At 1 September 2014	1,075,000	37,823	1,112,823
Charge for the year	250,000	25,455	275,455
At 31 August 2015	1,325,000	63,278	1,388,278
Net book value			
At 31 August 2015	17,075,000	63,998	17,138,998
At 31 August 2014	17,325,000	89,452	17,414,452

11 Investments

On 31 December 2014, the company became the sole member of London Horizons Limited ('LHL') for no consideration.

LHL is a company limited by guarantee incorporated in the United Kingdom with no share capital. Its principal activities are the running of a leisure centre and the provision of health and sports facilities. At 31 March 2015, LHL's profit for the year and reserves were £32,134.

12 Debtors

	2015 £	2014 £
Trade debtors	-	42
Amounts owed by group undertakings	69,100	-
Other debtors	43,837	379,583
	112,937	379,625

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Other loans	-	370,000
Other creditors	2,040,486	2,036,288
Accruals	51,116	4,500
	2,091,602	2,410,788

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2014	Movement in funds		Balance at 31 August 2015
	£	Incoming resources	Resources expended	£
Restricted Fixed Asset Funds	13,925,000	-	(250,000)	13,675,000

The Restricted Fixed Asset Funds represent freehold land and buildings donated by the Durand Primary School.

15 Analysis of net assets between funds

	Unrestricted funds	Restricted fixed assets funds	Total
	£	£	£
Fund balances at 31 August 2015 are represented by:			
Tangible fixed assets	3,463,998	13,675,000	17,138,998
Current assets	1,734,919	-	1,734,919
Creditors: amounts falling due within one year	(2,091,602)	-	(2,091,602)
	3,107,315	13,675,000	16,782,315

Included in unrestricted funds is the cost of land purchased at the St Cuthman's site in West Sussex. The purpose of this fund is, in association with the Department for Education, to build a secondary school and allow the Durand Academy Trust to run the school on the site.

16 Net cash inflow from operating activities

	2015 £	2014 £
Reconciliation to changes in resources		
Changes in resources before revaluations	(324,896)	237,747
Depreciation of tangible fixed assets	275,455	275,298
Decrease/(increase) in debtors	266,688	(377,512)
Increase in creditors	50,814	1,854,736
	268,061	1,990,269

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17	Reconciliation of net cash flow to movement in net funds	2015 £	2014 £
	(Decrease)/increase in cash	(101,940)	1,628,246
	Repayment of loan	370,000	360,000
	Movement in net funds/(debt)	268,060	1,988,246
	Net funds at 1 September 2014	1,353,922	(634,324)
	Net funds at 31 August 2015	1,621,982	1,353,922

18	Analysis of net cash balances	At 1 September 2014 £	Cash flow £	Non-cash changes £	At 31 August 2015 £
	Cash at bank and in hand	1,723,922	(101,940)	-	1,621,982
	Debt due within one year	(370,000)	370,000	-	-
		1,353,922	268,060	-	1,621,982

19 Contingent liabilities

In the event of the sale or disposal by other means of those assets donated by the Durand Primary School for the purpose of the delivery of education, the company shall, if it does not re-invest the proceeds for a similar purpose, repay to the Secretary of State of the Department for Education the same proportion of the proceeds of the sale or disposal as equates to the proportion of the original cost met by the Secretary of State.

DURAND EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

20 Related parties

Sir Gregory Michael Martin and Dr Alex Mehta were directors of the Company, but resigned on 19 September 2014 and 26 September 2014 respectively.

Sir Gregory Michael Martin was also a director and a Governor of Durand Academy Trust ('DAT') but resigned on 5 and 6 June 2014 respectively. Sir Gregory Michael Martin was reappointed and Mr Mark Adrian McLaughlin was appointed as directors of DAT on 1 September 2015.

Mr Mark Adrian McLaughlin and Mr David George Buckley were appointed as directors of LHL on 27 February 2015 and Mr Philip Blair was appointed as a director of LHL on 9 March 2015.

On 31 December 2014, London Horizons Limited ('LHL') became a 100% subsidiary. During the year, the company received donations totalling £575,856 (2014: £560,670) from LHL. At the year end, LHL owed the company £69,100 (2014: £377,470).

During the year, the company made donations of £240,700 (2014: £8,400) to Durand Academy Trust ('DAT'). At the year end, the company owed £1,999,986 (2014: £2,036,288) to DAT. The balance includes an amount of £1,800,000 held by DET on behalf of the Academy as designated funds for the purpose of funding the new secondary boarding school.

The school sites at Hackford Road, London and in Midhurst, West Sussex are owned by the company and are leased to DAT for a peppercorn rent. At year end, formal leases for both sites were in process of being prepared, but the leases were still not signed at the time of approval of these accounts.