

Charity Registration No. 1136362

Company Registration No. 07256996 (England and Wales)

**DURAND EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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

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**Directors** Mark Adrian McLaughlin  
David George Buckely  
Philip Blair

**Charity number** 1136362

**Company number** 07256996

**Registered office** Durand Primary School  
Hackford Road  
Stockwell  
London  
SW9 0RD

**Auditors** Citroen Wells  
Devonshire House  
1 Devonshire Street  
London  
W1W 5DR

**Bankers** Lloyds Bank Plc  
25 Gresham Street  
London  
EC2V 7HN

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**DURAND EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
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# **DURAND EDUCATION TRUST**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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The directors present their report and accounts for the year ended 31 August 2014.

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:

Alan John Davies	(Resigned 2 February 2014)
Sir Gregory Martin	(Resigned 19 September 2014)
Alex Mehta	(Resigned 26 September 2014)

Mark Andrian Mclaughlin, David George Buckley and Philip Blair were appointed as directors on 19 September 2014, 27 November 2014 and 6 March 2015 respectively.

Loiuse Duana Walsh was appointed as a director on 24 September 2014 and resigned on 28 November 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.

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 £557,470 (2013: £487,998), rental income of £8,400 (2013: £8,400) and interest income of £1,241 (2013: £43). The donations received from London Horizons Limited as shown in note 2 on page 10 arose from profits generated by that company in the year.

The company incurred costs relating to its charitable activities of £284,902 (2013: £349,593) and governance costs of £44,462 (2013: £9,565).

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

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Financial review**

At 31 August 2014 the net book value of fixed assets was £17,414,452 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 on a monthly basis from London Horizons Limited and continued paying £30,000 per month to Alderley Land Limited. These payments are for the purpose of purchasing Land at the St Cuthman's site in West Sussex. Durand Education Trust will allow Durand Academy Trust, 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 year end principally comprise of restricted fixed assets funds.

**Investment Policy**

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

**Plans for the future**

The company will complete the payments for the Land at the St Cuthman's site in August 2015. It will continue to receive payments free of tax, via gift aid, 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.

**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)  
DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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**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 17 April 2015 and signed on the Board's behalf by:



**Mark Adrian McLaughlin**

Director

# **DURAND EDUCATION TRUST**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF DURAND EDUCATION TRUST**

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We have audited the accounts of Durand Education Trust for the year ended 31 August 2014 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 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 2014 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**

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**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: 23 April 2015



**DURAND EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

		Unrestricted funds	Restricted fixed asset funds	Total 2014	2013
	Notes	£	£	£	£
<b><u>Incoming resources from generated funds</u></b>					
Voluntary income	2	557,470	-	557,470	487,998
Investment income	3	9,641	-	9,641	8,443
<b>Total incoming resources</b>		<b>567,111</b>	<b>-</b>	<b>567,111</b>	<b>496,441</b>
<b><u>Resources expended</u></b>					
	4				
<b><u>Charitable activities</u></b>					
Direct costs		34,902	250,000	284,902	349,593
Governance costs		44,462	-	44,462	9,565
<b>Total resources expended</b>		<b>79,364</b>	<b>250,000</b>	<b>329,364</b>	<b>359,158</b>
<b>Net movement in funds</b>		<b>487,747</b>	<b>(250,000)</b>	<b>237,747</b>	<b>137,283</b>
Fund balances at 1 September 2013		2,694,464	14,175,000	16,869,464	16,732,181
<b>Fund balances at 31 August 2014</b>		<b>3,182,211</b>	<b>13,925,000</b>	<b>17,107,211</b>	<b>16,869,464</b>

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 2014**

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	10	17,414,452		17,687,727	
<b>Current assets</b>					
Debtors	11	379,625		2,113	
Cash at bank and in hand		1,723,922		95,676	
		<u>2,103,547</u>		<u>97,789</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,410,788)</u>		<u>(546,052)</u>	
<b>Net current liabilities</b>		<u>(307,241)</u>		<u>(448,263)</u>	
<b>Total assets less current liabilities</b>		<u>17,107,211</u>		<u>17,239,464</u>	
<b>Creditors: amounts falling due after more than one year</b>	13	<u>-</u>		<u>(370,000)</u>	
<b>Net assets</b>		<u><u>17,107,211</u></u>		<u><u>16,869,464</u></u>	
 Restricted fixed asset funds	14	 13,925,000		 14,175,000	
 Unrestricted funds		 <u>3,182,211</u>		 <u>2,694,464</u>	
		<u><u>17,107,211</u></u>		<u><u>16,869,464</u></u>	

The accounts were approved by the Board on 17 April 2015 and signed on its behalf by:



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 2014**

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	Notes	2014 £	2013 £
Net cash inflow from operating activities	16	1,990,269	576,547
Net cash inflow before financing		<u>1,988,246</u>	<u>451,295</u>
<b>Financing</b>			
Loan repayments		<u>(360,000)</u>	<u>(360,000)</u>
Net cash outflow from financing		<u>(360,000)</u>	<u>(360,000)</u>
Increase in cash	17	<u><u>1,628,246</u></u>	<u><u>91,295</u></u>

**DURAND EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**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.

**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**

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.

**Interest receivable**

Interest receivable is 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.

**Allocation of costs**

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**

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 2014**

**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, 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 less depreciation. Depreciation is provided on the cost 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 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.

**1.6 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.

**2 Voluntary income**

	2014 £	2013 £
Donations from London Horizons Limited	557,470	487,998
	<u>557,470</u>	<u>487,998</u>

**DURAND EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**3 Investment income**

	2014 £	2013 £
Rental income	8,400	8,400
Interest receivable	1,241	43
	<u>9,641</u>	<u>8,443</u>

**4 Total resources expended**

	Depreciation £	Other costs £	Grant funding £	Total 2014 £	Total 2013 £
<b>Charitable activities</b>					
<u>Direct costs</u>					
Activities undertaken directly	275,298	1,204	-	276,502	264,310
Grant funding of activities	-	-	8,400	8,400	85,283
Total	<u>275,298</u>	<u>1,204</u>	<u>8,400</u>	<u>284,902</u>	<u>349,593</u>
<b>Governance costs</b>	-	44,462	-	44,462	9,565
	<u>275,298</u>	<u>45,666</u>	<u>8,400</u>	<u>329,364</u>	<u>359,158</u>

**Auditors' remuneration**

Fees payable to the auditor for the audit of the company's annual accounts	<u>6,674</u>	<u>3,600</u>
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**5 Activities undertaken directly**

	2014 £	2013 £
Other costs relating to direct costs comprise:		
Computer website and design costs	1,144	1,755
Other costs	60	30
	<u>1,204</u>	<u>1,785</u>

**DURAND EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**6 Grants payable**

	<b>2014</b>	2013
	<b>£</b>	<b>£</b>
Direct costs	<u><b>8,400</b></u>	<u>85,283</u>
Grants to institutions relating to direct costs comprise:		
Durand Academy Trust	<u>8,400</u>	<u>85,283</u>
	<u><b>8,400</b></u>	<u>85,283</u>

**7 Governance costs**

	<b>2014</b>	2013
	<b>£</b>	<b>£</b>
Other governance costs comprise:		
Audit fees	6,674	3,600
Administrative expenses	<u>37,788</u>	<u>5,965</u>
	<u><b>44,462</b></u>	<u>9,565</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 2014**

**10 Tangible fixed assets**

	Freehold land and buildings £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 September 2013	18,400,000	125,252	18,525,252
Additions	-	2,023	2,023
<b>At 31 August 2014</b>	<b>18,400,000</b>	<b>127,275</b>	<b>18,527,275</b>
<b>Depreciation</b>			
At 1 September 2013	825,000	12,525	837,525
Charge for the year	250,000	25,298	275,298
<b>At 31 August 2014</b>	<b>1,075,000</b>	<b>37,823</b>	<b>1,112,823</b>
<b>Net book value</b>			
<b>At 31 August 2014</b>	<b>17,325,000</b>	<b>89,452</b>	<b>17,414,452</b>
At 31 August 2013	17,575,000	112,727	17,687,727

**11 Debtors**

	2014 £	2013 £
Trade debtors	42	-
Other debtors	379,583	2,113
	<b>379,625</b>	<b>2,113</b>

**12 Creditors: amounts falling due within one year**

	2014 £	2013 £
Other loans	370,000	360,000
Other creditors	2,036,288	175,252
Accruals	4,500	10,800
	<b>2,410,788</b>	<b>546,052</b>



**DURAND EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

<b>13 Creditors: amounts falling due after more than one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Other loans	-	370,000
	<u>-</u>	<u>370,000</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	370,000	730,000
Included in current liabilities	(370,000)	(360,000)
	<u>-</u>	<u>370,000</u>
	<u>-</u>	<u>370,000</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	-	370,000
	<u>-</u>	<u>370,000</u>
	<u>-</u>	<u>370,000</u>

The loan with Alderley Land Limited is secured by a charge over certain of the company's properties. The loan is interest free and repayable by sixty equal monthly instalments of £30,000 and one final instalment of £100,000 due five years and two months after the original date of drawdown.

**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:

	<b>Balance at</b>	<b>Movement in funds</b>		<b>Balance at 31</b>
	<b>1</b>	<b>Incoming</b>	<b>Resources</b>	<b>August 2014</b>
	<b>September</b>	<b>resources</b>	<b>expended</b>	
	<b>2013</b>			
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Restricted Fixed Asset Funds	14,175,000	-	(250,000)	13,925,000
	<u>14,175,000</u>	<u>-</u>	<u>(250,000)</u>	<u>13,925,000</u>
	<u>14,175,000</u>	<u>-</u>	<u>(250,000)</u>	<u>13,925,000</u>

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

**DURAND EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**15 Analysis of net assets between funds**

	Unrestricted funds	Restricted fixed assets funds	Total
	£	£	£
Fund balances at 31 August 2014 are represented by:			
Tangible fixed assets	3,489,452	13,925,000	17,414,452
Current assets	2,103,547	-	2,103,547
Creditors: amounts falling due within one year	(2,410,788)	-	(2,410,788)
	<u>3,182,211</u>	<u>13,925,000</u>	<u>17,107,211</u>

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**

	2014 £	2013 £
Reconciliation to changes in resources		
Changes in resources before revaluations	237,747	137,283
Depreciation of tangible fixed assets	275,298	262,525
Increase in debtors	(377,512)	(2,113)
Increase in creditors	1,854,736	178,852
	<u>1,990,269</u>	<u>576,547</u>

**17 Reconciliation of net cash flow to movement in net funds/(debt)**

	2014 £	2013 £
Increase in cash	1,628,246	91,295
Repayment of loan	360,000	360,000
Movement in net funds/(debt)	1,988,246	451,295
Net funds/(debt) at 1 September 2013	(634,324)	(1,085,619)
Net funds/(debt) at 31 August 2014	<u>1,353,922</u>	<u>(634,324)</u>

**DURAND EDUCATION TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**18 Analysis of net cash less debt/(debt)**

	At 1 September 2013 £	Cash flow £	Non-cash changes £	At 31 August 2014 £
Cash at bank and in hand	95,676	1,628,246	-	1,723,922
Debt due within one year	(360,000)	360,000	(370,000)	(370,000)
Debt due after one year	(370,000)	-	370,000	-
	<u>(634,324)</u>	<u>1,988,246</u>	<u>-</u>	<u>1,353,922</u>

**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, 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.

**20 Related parties**

Mr Alan John Davies, Sir Gregory Michael Martin and Dr Alex Mehta were directors of the Company, but resigned on 5 February 2014, 19 September 2014 and 26 September 2014 respectively.

Mr Alan John Davies was also a director of London Horizons Limited ('LHL') but resigned on 28 February 2014.

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.

Dr Alex Mehta was also a governor of DAT but resigned on 6 June 2014.

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.

During the year, the company received donations totalling £560,670 (2013: £487,998) from LHL. At the year end, LHL owed the company £377,470 (2013: £nil).

During the year, the company made donations of £8,400 (2013: £85,283) to DAT. At the year end, the company owed £2,036,288 (2013: £175,252) to DAT. The balance includes an amount of £2 million held by DET on behalf of the Academy as designated funds for the purpose of funding the new secondary boarding school. Subsequent to the year end, it has been agreed that these funds will be transferred back to DAT who will continue to hold the funds in its own designated account until required to support the secondary school build.

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.